



ACCOUNTABILITY IN THE PUBLIC SECTOR  
THROUGH QUALITY AUDIT SERVICES

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# REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF THE FIJI ISLANDS

**Volume 3     Audit Report on Government Ministries  
and Departments - 2009**

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Volume 3

Audit Report on Government  
Ministries and Departments - 2009

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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 102

30 September 2010

Commodore Josaia V. Bainimarama  
Prime Minister & Minister for Finance  
Office of the Prime Minister  
Government Buildings  
SUVA

Dear Commodore Bainimarama

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**AUDIT REPORT ON GOVERNMENT MINISTRIES AND DEPARTMENTS 2009 –  
VOLUME 3**

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In accordance with section 7 (7) of the State Services Decree 2009, I am pleased to transmit to you Volume 3 of my audit report on government ministries and departments for 2009.

Tevita Bolanavanua  
**Auditor - General**





## FOREWORD

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This is our report on the audit of the Whole of Government Financial Statements and Annual Appropriation Statement for 2009 and its 27 ministries and departments as provided in the Appropriation Promulgation.

The purposes of this report are to:

- report on the audit of the Whole of Government Financial Statements and Annual Appropriation Statement for 2009 covered under volume 1 of the report;
- report on the audit of financial statements of Government Ministries and Departments for 2009 covered under volumes 2-5 of the report;
- report on the results of, and matters arising from, our 2009 audits of Government Ministries and Departments also covered under volumes 2-5; and
- raise other matters that we believe warrant consideration by Cabinet.

The 2009 accounts were again prepared under the cash basis of accounting with the use of the FMIS software called SSA Global. FMIS covers the computerization of public expenditure, management process, especially procurement and accounting. As reported in 2008, the financial statements of government ministries and departments which are essential outputs of the system are still to be produced by the system as they were not included in the original scope of works in the development of the FMIS.

The preparation of the 2009 accounts was again affected by insufficient and lack of competent manpower and support from ministries and departments. The Ministry of Finance like all ministries and departments also continued to face high staff turnover and staff reshuffles which contributed to a lot of deficiencies in the preparation of the accounts. The Ministry of Transport, Works and Energy and the Ministry of Health continue to use their own software ACCPAC and EPICOR systems after which records are uploaded to the FMIS on a regular interval. However our audit has noted that when uploading to FMIS only the end-balances and not all the details are uploaded.

All ministries and departments submitted their 2009 accounts for audit. The Prisons and Corrections Department which was reported together with the Ministry of Justice in 2008 is reported separately in 2009.

There has been some improvement for the 2009 accounts submitted for audit compared to 2008 where all accounts were issued qualified audit opinions. Out of the 27 ministries and departments audited for 2009, 13 were issued qualified audit opinions while 14 were issued unqualified opinions. The qualifications include: financial statements were not presented in accordance with the Financial Management Act; there were significant variances noted between the general ledger balances and ministries and departments' records for Trading and Manufacturing Accounts, the failure to provide trust account statement of receipts and payments and the lack of reconciliations.

The issues qualified above were the same as those highlighted in 2008 but at a lesser extent as some ministries and departments had shown much improvement. There however remains a lot of work to improve the requirements of all stakeholders.

The report for each ministry and department has 2 parts. Part 1 discusses the audit of the financial statements and Part 2 reports on the results of and matters arising from our 2009 audits.



Tevita Bolanavanua  
**Auditor - General**



## EXECUTIVE SUMMARY

The Whole of Government Financial Statements and the Annual Appropriation Statement of the Government of the Republic of the Fiji Islands for the year ended 31 December 2009 has been audited in accordance with section 5 of the State Service Decree No. 6, sections 46 & 47 of the Financial Management Act (2004) and section 6 of the Audit Act.

The audit resulted in the issue of an unqualified audit report.

However, matters of concern raised are as follows:

- a) The correctness of operating revenue receipted through the Accounts Receivable module, totaling \$18.6 million, reflected in the Government of the Fiji Islands Consolidated Statement of Receipts and Payments could not be substantiated.
- b) The correctness of the tax revenues collected on behalf of the State, which comprise 77% of Government's total revenue in 2009, could not be substantiated. There is a variance of \$18.9 million between the Ministry of Finance's general ledger and Fiji Islands Revenue & Customs Authority's records.
- c) Revenue recoveries from Lending Fund Account totaling \$5 million was not reflected in the Financial Statement.
- d) Balances in the following accounts could not be substantiated as no supporting documentation was provided:
  - Revolving Fund Account (RFA) – Accounts Payable of \$1.2 million and Accrued Expenses & Deferred Income of \$1.9 million
  - Trading and Manufacturing Account (TMA) surplus and TMA Accumulated surplus totaling \$18 million
  - Credit balances in RFA totaling \$641,044 and Lending Fund account for the Scholarship Unit amounting to \$3.7 million despite the account being asset in nature
  - Revenue in Operating Fund Account totaling \$1.2 million
  - Lending Fund Account balance of \$3.8 million as a result of Mapping to the new accounting system.
- e) Inclusion of TMA credit sales of \$7.6 million in the RFA net receipts in the Statement of Receipts and Payments despite the reporting on cash-basis of accounting.
- f) Balances in the following accounts were not reflected in the Accounts and Finances:
  - RFA balances totaling \$33.6 million
  - TMA balances totaling \$41.6 million made up of Accounts Receivable \$4.4 million, Inventory \$8.1 million, Accounts Payable (\$0.6 million), Deposit & Retention Money (\$0.6 million), TMA appropriation (\$25.0 million) and TMA Accumulated Surplus of (\$29.2 million).
- g) Trial Balance in the respective funds were not balanced i.e. – Fund 4 – TMA by (\$174,681), Fund 1 – Operating Fund by (\$8 million) and Fund 9 Trust Fund by \$8.2 million with the an amount of \$2,671 for Whole of Government.

- h) The Cash at Bank balance of \$94,512,448 as at 31/12/09 has been misstated in view of the errors and omissions amounting \$11,984,331.
- i) An amount of \$2.2 million in respect of trust monies shown in Schedule 1 – Statement of Assets and Liabilities of the Whole of Government Financial Statement is not appropriately supported by cash at bank.
- j) Trust accounts with Ministries/Departments were overdrawn by \$9,123,708.
- k) Term deposit amounting to \$3 million with Colonial National Bank/Bank of South Pacific (CNB/BSP) disclosed in the General Ledger as investment in Economic Services is not reflected in the Accounts and Finances
- l) A prior period adjustment of \$528,793 in the Consolidated Fund Statement of Receipts and Payments could not be verified.
- m) Debt to Government is overstated by \$55.6 million as loan converted to grant are still being reflected in the Lending Fund Account with loan balances of Inoperative Entities amounting to \$1.7 million also being reflected.
- n) Overstatement of the Sinking Fund Account Statement of Assets and Liabilities by \$19.9m.
- o) Investment totaling \$8.6 million in Inoperative Entities recorded in the Consolidated Statement of Assets and Liabilities.
- p) Debts owed to Government totaling \$4.7 million was not recorded in the Lending Fund Account.

The following is a summary of the audit observations.

### **2009 Accounts and Finance**

#### ***Cash at Bank***

Unpresented cheques have increased significantly from \$59.6 million in 2008 to \$97.9 million in 2009. The increase in unpresented cheques at year end is primarily attributed to spending being concentrated towards the end of the year. However, \$14.3 million was shown as debit balance under drawings in statement of cash and bank balances

Cash balances in departments trust have increased significantly from \$13.7 million in 2008 to \$23 million in 2009. The continuing increase is mainly attributed to the opening of eight new trust fund accounts in 2009.

Domestic bank accounts having balance of \$4,777,660 were not supported with cash.

#### ***Investment***

Government's total investments held in 31 companies in 2009 was \$441.9 million, an increase of \$1.7 million or 0.4% compared to 2008. Only 8 entities remitted dividends to government totalling \$20.8 million in 2009 compared to \$21.3 million in 2008. Five entities with total government investments of \$8.6 million are in-operative.

Term deposit amounting to \$3 million with Colonial National Bank/Bank of South Pacific (CNB/BSP) disclosed in the General Ledger as investment in Economic Services is not reflected in the Accounts and Finances.

The derivation of the percentage of Government shareholding could not be explained by the Ministry as this are carry forward figures from the previous Statement of Government Investments despite changes in shareholding percentages.

The acquirement sum of \$300,000 of Fiji Ships by Fiji Ports Corporation Limited could not be substantiated as there were no Cabinet decisions and documents obtained pertaining to the acquisition.

### ***Trust Fund***

Section 25 of the Financial Management Act (2004) states that trust money should be accounted for separately from public money and other money, and should be kept in a separate bank account. An amount of \$2.2 million in respect of trust monies shown in Schedule 1 – Statement of Assets and Liabilities of the Whole of Government Financial Statement is not appropriately supported by cash at bank.

16 Ministries/Departments had overdrawn their trust fund accounts totalling \$9.1 million as at 31/12/09.

### ***Revenue***

The correctness of operating revenue receipted through the Accounts Receivable module, totaling \$18.6 million, reflected in the Government of the Fiji Islands Consolidated Statement of Receipts and Payments could not be substantiated.

The correctness of the tax revenues collected on behalf of the State, which comprise 77% of Government's total revenue in 2009, could not be substantiated. There is a variance of \$18.9 million between the Ministry of Finance's general ledger and Fiji Islands Revenue & Customs Authority's records.

Revenue balances in Operating Fund Account amounting to \$1.2 could not be substantiated as no supporting documentation was provided.

Total income tax and VAT arrears owed by the Fiji Islands Revenue & Customs Authority as at 31/12/09 amounted to \$84.5 million which is 50% of total arrears owed to Government.

### ***Expenditure***

The total actual expenditures for 2009 amounting to \$1.9 billion had increased by \$230.9 million or 14% from 2008 and recorded an overall savings of \$133.5 million compared to a savings of \$100.2 million in 2008.

The overall savings arose from savings in established staff by \$2.8 million (0.5%), wage earners by \$0.4 million (0.6%) , travel & communications by \$1.9 million (9.3%), maintenance & operations by \$8.7 million (8.5%), purchase of goods and services by \$0.4 million (0.6%), operating grants & transfers by \$7.4 million (3.5%), special expenditures by \$17.2 million (26.9%), capital construction by \$15.7 million (8.8%), capital grants and transfers by \$7.9 million (5.6%), pensions and gratuities by \$1.5 million (4.1%), and charges on account on public debt by \$59.9 million (11.4%) and VAT by \$10.1 million (16.4%).

The Fiji Police Force, the Ministry of Health, Women & Social Welfare, Republic of Fiji Military Forces, the Ministry of Works & Transport and the Department of Information overspent their budgeted appropriation. The reasons for the over – expenditures were mainly due to the over – spending on salaries and allowances.

### ***Borrowing***

Public debt in 2009 totalled \$3.1 billion and comprised of domestic loans of \$2.5 billion or 80% of total debt; overseas loans of \$527.2 million or 17%; and Treasury Bills \$97.7 million or 3%.

In 2009, Government borrowings totalled \$503 million of which \$404.2 million or 80% was through domestic bonds, \$97.7 million or 19% treasury bills and \$1.1 million or 0.2% in overseas loans.

In addition, \$24.3 million of new overseas loans were capitalised to finance projects that were not in cash or did not come through the government central account.

This includes the \$15.7 million worth of in - kind (goods and services) loan in respect of the e-government project and \$1.45 million of interest capitalised in respect of the Suva/Nausori Water Supply project.

Also, \$7.1 million of loan were capitalized for the Fiji Road Upgrading Project III (FRUP) that were directly disbursed to the contractors of the project the Asian Development Bank (ADB).

Principal payments for 2009 on government borrowings totalled \$487.3 whilst interest payments amounted to \$191.7

Government in honouring its guarantor obligation paid a total of \$4.7 million on behalf of the Fiji Sports Council (FSC) and the Fiji Sugar Cane Growers Council (FSCGF) to its lenders, namely, the Fiji National Provident Fund (FNPF) and the Fiji Development Bank (FDB) accordingly.

The honour of this government guarantee payment has not been reflected in the Accounts and Finances as debt owed to government in the Lending Fund Account.

### ***Lending***

Loans made by Government and outstanding as at 31/12/09 totalled \$96.6 million, a decrease of \$9.3m or 10% compared to 2008. Repayments received in 2009 totalled \$26.3 million whilst additional loans granted and interest capitalised in 2009 was \$17.1 million.

Parliamentary resolutions between 2001 and 2004 and cabinet decisions in 2008 approved the conversion of loans to grant owed by the Fijian Affairs Board, the Fiji Sugar Corporation and the Rabi Council of Leaders. These conversions have not been executed to date.

Unauthorised postings to LFA natural account numbers whereby it has been noted that other ministries and departments are posting into the Lending Fund Account natural account numbers 61,62, and 63 without having any authority to do so. Due to the lack of controls and authorization provided by the Ministry of Finance, the lending fund natural account numbers are open to any user of the FMIS.

Mapping problem whereby certain Ministries are not able to identify whether certain accounts belong to them or not. This is due to the laxity on the part of Ministry of Finance in not undertaking a proper scrutiny on the mapping exercise done when the transfer was made from the old accounting system.

Private Students loan inactive for a considerable number of years but activities are still noted in this account.

There is no proper written instruction to adhere to when loan repayments are being made by these borrowing institutions.

The balance of \$2.3 million lent to Native Land Trust Board (in 1979), Timber Exporters (1983) and Production Loan to Farmers (1990) have remained dormant to date. There have been no additional advances made, nor interest capitalised or recoveries made under these accounts. The recovery of these loans is uncertain due to the lapse in time

### ***Revolving Fund Account***

A total of 696 IDC accounts were noted in the Financial Management Information System (FMIS) compared to 540 accounts in 2008, an increase of 156 accounts. Many of the Ministries and Departments were using more than one IDC account in contradiction to the Ministry of Finance requirements.

RFA – Miscellaneous has large outstanding balances for various ministries/departments totalling to \$66.95 million, an increase by 1% compared to 2008 which amounted to \$66.26 million.

The recovery of advances, dishonoured cheques and surcharges over the 5 year seemed to have slowed down compared to year 2005, while the unclaimed monies are yet to be cleared. While the surcharge balance has reduced by 47%, percentage change in unclaimed monies is below 10%. On the other hand, outstanding balance in the form of advances and dishonoured have increased compared to 2008.

Receipts and Payments reflected in the Accounts and Finance of Government from the operation of the Revolving Fund Account totalled \$2,178,371,162.76 and \$ 2,177,876,622.38 respectively. This receipts and payments total included all the debits and credits that have been made in the year to the account, irrespective of whether they are only adjustments to correct mispostings. In comparison, total government revenue totalled \$1,818,235,071 or 84% while government expenditure totalled \$1,911,402,449 or 88%.

Account balances totalling to \$34.2 million is not reflected in the Accounts and Finance as at 31/12/09. The Ministry could not provide explanation for the omission and the misposting of accounts in relation to the Revolving Fund Account balances.

A variance of \$30,273 was noted between the 2008 audited closing balances in the RFA for Ministry of National Planning to that of the 2009 opening balance of the 2009 Appendix submitted for audit. Moreover, the \$30,273 debtor account by nature should not have a credit balance. However, the reason for this credit balance could not explained by the Ministry of National Planning or the Ministry of Finance.

Audit of the RFA revealed Ministries/Departments with credit balances, such as Trade and Communication amounted to (\$148,300), Fiji Military Forces (424,606), Bureau of Statistics (4,267) and Department of Youth & Sports, (63,871) despite the nature of the account being an asset account. Explanation for the credit balances could not be provided by the respective ministry/department or the Ministry of Finance.

Audit could not substantiate TMA surplus and TMA accumulated surplus balance totalling to \$18 million appearing in the balance sheet and the General Ledger.

There were 22 Trading and Manufacturing Accounts (TMA's) that were either operating above/below their appropriated ceiling. Furthermore, the Public Works Department (PWD) Workshop Wages TMA is operating without any appropriation and therefore questions whether this is an authorized TMA.

Audit noted variance between the records of the Ministry of Health (EPICOR – accounting system) and the Financial Management Information System (FMIS) for the TMA receipts and payments of Ministry Health, the receipts variance totalled \$640,967 and the payments totalled \$531,170.

Despite the availability and operation of the TMA accounts on accrual basis, the presentation of TMA balances in the Accounts and Finance is restricted only to receipts and payments.

Balance sheet accounts such as Accounts Receivable, Inventory and Surplus/Deficit totalling \$41,637,294) are not disclosed in the Whole of Government accounts. In addition to this, credit sales of \$7.6 million have been taken as receipts in the Accounts and Finance despite reporting done on cash-basis of accounting.

Audit scrutiny of the TMA Fund Account (Fund 4) for the accounting of TMA balances revealed that debits totalled \$64,301,199 and credits totalled \$64,475,880, as such Fund 4 of TMA has a credit balance at end of year of \$174,681 which could not be explained by the Ministry.

### ***Contingent Liabilities***

The Fiji Hardwood Corporation Ltd (FHCL) has been defaulting on its loan agreement with FNPF and FDB since 2008. Discussions and resolutions of a joint meeting for the proposed debt restructure of FHCL on 10 September, 2009 agreed on the consolidation of FHCL debts in the FDB books and a two (2) year grace period has being granted for the company to facilitate and regroup itself and be in a better position to service its debts.

Total guarantee of FHCL loans as at 31/12/09 amounted to \$14.9 million compared to outstanding liability of \$16.9 million, a variance of \$2 million or 13%. The variance noted resulted from the accumulating accrued interest and principal loans outstanding yet to be settled by FHCL.

## **2009 Accounts of Ministries and Departments**

### **Office of the President**

Monthly reconciliations of the Operating Trust Fund and Revolving Fund accounts have not been carried out since 2005.

### **Office of the Prime Minister and Public Service Commission**

Underline accounts reflected under the old account allocations were not included in the monthly reconciliations. A number of Trust Fund, Revolving Fund and Lending Fund accounts have remained dormant from 2006.

A variance of \$354,114 was noted between the Ministry of Finance's Appendix 3 and the Bank Statement balance as at 31 December 2009 of the Chinese Aid – Trust Fund.

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records. In addition, VAT was claimed on zero rated and exempted supplies.

The Rotuma Island Council did not provide acquittal reports to substantiate how government grants have been utilized by the Council.

A substantial amount of loans are still outstanding or have yet to be recovered from recipients of awards through Cost Sharing Scheme and the Student Loan Scheme.

PSC has not been able to claim maximum refunds from the Training and Productivity Authority of Fiji (TPAF) because the Training Division failed to comply with TPAF's assessment criteria.

Government corporations and bodies have made reviews to the salaries of Chief Executive Officers and other senior positions without consulting the Higher Salaries Commission.

### **Office of the Attorney General and Public Enterprise**

VAT was claimed on zero rated and exempted supplies.

Government Companies and Commercial Statutory Authorities have not fully complied with the prescribed requirements of the Public Enterprise Act in regards to submission of plans and reports.

### **Ministry of Finance**

Two virements amounting to \$2.8 million for Head 50 was approved by the Ministry after the closing dates which contradicted the directives of the Ministry's own Circular.

A number of surcharge cases spanning from 2003 to 2006 referred to in past Auditor General's Reports are still pending thus increasing the risk of becoming irrecoverable as responsible officers had either resigned, retired or terminated.

A total of 1,123 accident cases with repair costs totaling \$2,040,373 are yet to be resolved and awaiting Solicitor General's advice. Delays in implementing surcharge action could result in non-recovery of costs from these negligent officers.

Out of the 1,932 government vehicles, around 81% are over 6 years old and need to be replaced. A further 16% or 310 vehicle did not have sufficient information to determine their ages also need to be replaced.

A number of complaints were received by Ministry of Finance on the alleged misuse of vehicles across government; however the Ministry has yet to investigate many of these cases.

### **Ministry of National Planning**

There is a variance of \$67,813 in the FNPF reconciliation undertaken during the audit.

The Department failed to carry out its 2009 annual Board of Survey as a result no Statement of Loss was produced.

A variance of \$18,559 was noted in the drawings account records between Ministry's record and the General Ledger.

The Ministry had not been monitoring the Northern Development Program closely as the release of funds (\$8.2 million) has not been acquitted quarterly.

Despite the payment of \$24.9 million for the Wairiki port development, the port is still not in operation.

### **Bureau of Statistics**

The Department failed to carry out its 2009 annual Board of Survey as a result a Statement of Loss was not produced.

### **Government Printing and Stationery Department**

The arrears of revenue for Government Printing and Stationery Department as at 31/12/09 amounted to \$175,562. This is an increase of \$95,206 or 118% compared to 2008.

A number of machines were under repair and had been out of service for prolonged periods of time.

Dishonored cheques amounting to \$12,133 dating back to 1999 are still to be cleared from the Revolving Fund Account.

The Department failed to carry out its 2009 annual Board of Survey thus could not produce the Statement of Loss.

### **Government Supplies Department**

The Department failed to carry out its 2009 annual Board of Survey as a result a Statement of Loss was not produced.

### **Ministry of Provincial Development, Indigenous and Multi-Ethnic Affairs**

Trust Fund accounts were overdrawn. Community contributions for capital projects have been accounted as government revenue instead of Trust Funds. Bank reconciliations for the Main Trust Fund were not provided for audit.

The absence of regular revenue reconciliations has resulted in the significant variance between the balances reflected in the general ledger (FMIS) and the Ministry's records.

Significant variances were noted between the actual payments of superannuation contributions to the relevant Authority and the balances reflected in the general ledger and other related records.

Internal controls and Standard Operating Procedures established for effective administration of capital projects are not always adhered to.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed assets owned by the Ministry.

The Standard Operating Procedure for Scholarship was not complied with in the awarding of scholarship.

### **Ministry of Defence, National Security and Immigration**

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records.

Trust Fund accounts were overdrawn. A variance of \$976,380 was noted between the closing balance of the Trust Fund account reconciliation as at 31 December 2009 and the Ministry of Finance's Appendix 23A.

Revenue records have not been properly reconciled increasing the risk of mismanagement of revenue.

Illegal immigrants continued to live in Fiji without any action taken against them. Soccer professionals often travelled to Fiji on visitors' visa to participate in soccer tournaments for which they are paid, without work permit.

### **Ministry of Labour, Industrial Relations and Employment**

Monthly bank reconciliations were not carried out for the two accounts maintained for Trust Funds.

VAT reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authority and the balances reflected in the general ledger and other related records.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed assets owned by the Ministry.

### **Ministry of Foreign Affairs, International Co-operation and Civil Aviation**

Operating Trust Fund accounts have been overdrawn with some accounts having balances that could not be explained by the Ministry.

Proper documentations to support the engagement of local staffs in various Fiji Missions overseas are not maintained with the Ministry. Checks and reviews carried out by the Accounts Sections on acquittals submitted by the Missions are questionable.

Provisions of the Public Service (Diplomatic and Consular Services) Regulations 2005 have not always been complied with by some Fiji Missions overseas.

Personal expenses met by public funds have yet to be refunded to government.

### **Elections Office**

Operating Trust Fund accounts have been overdrawn by \$518,239 with most balances carried forward from previous years. Records to substantiate the overdrawn balances have been misplaced.

### **Judiciary**

Two Main Trust Fund accounts were overdrawn. In addition, the preparations of reconciliations for Trust Fund accounts have not been carried out for more than 20 years.

There is a high risk of mismanagement of funds and overpayments with the current system of payments and record keeping for Maintenance.

### **Legislature**

Operating Trust Fund accounts were overdrawn with balances carried forward from previous years.

Personal charges of telecommunication have not been properly monitored.

### **Office of the Director of Public Prosecutions**

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records.

Operating Trust Fund accounts were overdrawn. Monthly Drawings accounts reconciliations were not properly checked as the opening balances of the subsequent months' reconciliations did not correspond to the closing balances of the preceding month.

### **Department of Justice**

VAT reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authority and the balances reflected in the general ledger and other related records. In addition, VAT was claimed on zero rated and exempted supplies and VAT on revenue had been debited to the wrong account allocation.

There is a high risk of fraud, theft or mismanagement of funds as large sums of cash are often maintained in the Office over night or over the weekend.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed assets owned by the Department

The Department breached Government procurement procedures by not issuing Local Purchase Orders and in some cases, payments were made to suppliers prior to the supply of goods and services to the Department.

Some companies have not lodged their Annual Returns with the Registrar of Companies.

### **Ministry of Information**

VAT was claimed on zero rated and exempted supplies.

Terms and conditions of the Agreement between the Government and the Fiji Broadcasting Corporation Limited in relation to Public Service Broadcasting were not complied with.

### **Department of Prisons and Corrections Service**

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed asset as the Department has not maintained a Fixed Assets Register to records items purchased in 2009 and from previous years.

Capital projects undertaken by the PWD were not properly monitored by the Department.

### **Fiji Police Force**

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authorities and the balances reflected in the general ledger and other related records. The Department had overpaid superannuation contributions totalling \$1,357,284 to the FNPF.

The Department had incurred over-expenditures totalling \$9,401,385 in 2009 and failed to seek necessary approval from the Ministry of Finance to regularise the over-expenditures.

Underline accounts were not properly reconciled resulting in significant variances noted between the balances reflected in the Department's reconciliation and the general ledger.

As in previous years, numerous Officers were overpaid salaries and allowances in 2009.

The Department did not comply with Government's procurement procedures for various purchases made in 2009.

Substantial negligence claims by members of the public were paid out for which budget was not provided.

High number of the Department's vehicles involved in road accidents.

### **Republic of the Fiji Military Forces**

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authorities and the balances reflected in the general ledger and other related records. The RFMF has been making advance payments of superannuation contributions to the FNPF since the 1990s. The RFMF and the FNPF are working to determine the actual amounts of overpayments.

Accountable advances issued for official travels were not always cleared on time.

Operating Trust Fund Account was overdrawn by \$4,019,621 with balances carried forward from previous years.

The RFMF had incurred an over-expenditure of \$2,384,515 against its budgetary provision for 2009.

Leave records have not been properly maintained and administered resulting in overpayments of leave compensation, utilization of leave in excess of entitlement and excessive accumulation of leave.

Numerous Officers were overpaid ration allowances in December 2009.

Officers occupying official quarters were also receiving lodging allowances.

The relocation of the Nadi Camp to Votualevu (Black Rock Project) was not properly monitored. Expenditures incurred were in excess of the budget, proper records were not maintained and Government's procurement procedures were not complied with for purchases made in 2008 and 2009.

### **Ministry of Education, National Heritage, Culture and Arts**

The Ministry has a total salary overpayment of \$528,180 as at 31/12/09 which is still to be recovered. In 2009, the salary overpayment amounted to \$210,583 of which \$76,742 or 36% was overpaid to staffs upon resignations, terminations and retirement.

The audit of the building grants records for primary and secondary noted that some of the grant recipients have not submitted completion certificates and acquittal reports to the Ministry.

Rules and Regulations for General Purpose Trust Fund, Caution Fee Trust Fund Account were not followed and approval was not obtained from Permanent Secretary for Education for use of trust funds by some government primary and secondary schools.

The audit noted the need for urgent maintenance of the dormitories, toilets and bathroom facilities, dining hall and kitchen at Natabua Secondary while the facilities at Ratu Kadavulevu School and Queen Victoria School have been upgraded in 2010.

The problem of overcrowding was evident at Nakoroboya Primary School where two classes were sharing the same room and only separated by curtains. At Lomawai Secondary School the hostel could not accommodate everyone resulting in a classroom doubling as a hostel after school hours while some students were billeted outside the school compound.

### **Ministry of Health, Women & Social Welfare**

A Statement of Losses and Trust Account Statement of Receipts and Payments was not submitted to audit. The general ledger (FMIS) as at 31/12/09 shows that the Ministry of Health has Operating Trust Funds totaling \$10,052,390 of which \$7,495,121 or 75% represent FNPF. In addition, four Trust Fund Accounts showed debit balances totaling \$276,512 while the Department of Women and Social Welfare had overdrawn their FNPF Trust Fund Account by \$9,998.

The transactions from the Trading and Manufacturing Accounts for the operations of the Bulk Purchase Scheme were not being updated in the FMIS on a timely basis resulting in the overstatement of Assets by \$209,988, understatement of Liabilities by \$177,271, understatement of expenses by \$22,148, understatement of Revenue by \$140,347 and the overstatement of Equity by \$378,327 in the general ledger as at 31 December 2009.

The payments of FNPF contributions and VAT could not be reconciled to the accounts.

Audit noted that drugs worth \$564,945 maintained at the Fiji Pharmaceutical Services had expired at the end of 2009.

As at 31/12/09, a total of \$151,210 was recorded as overpayment of salary by the Ministry of which \$92,506 (62%) was overpayment upon resignation. This is a result of divisional officers failing to advise salaries section at Headquarters on time.

The Ministry has an old fleet of vehicles resulting in excessive maintenance costs of \$104,853 in 2009. Eleven vehicles are more than 7 years old. Three vehicles which are more than 10 years old and no longer in use are parked at the Labasa Hospital.

### **Department of Local Government, Urban Development and Housing**

The department's Trust Fund Accounts need to be reconciled as seven accounts have been dormant and had not shown any movements during the last three years.

In addition, the department failed to prepare VAT reconciliations for 2009. A review of VAT Returns and supporting documents carried out during the audit revealed significant un-reconciled balances.

## **Department of Youth and Sports**

The audit noted a number of sporting bodies that failed to submit their acquittals for the financial assistance provided by the Department and that the Department has not been effective in monitoring and following up acquittals with recipients. As a result the audit could not substantiate whether grants have been utilized for intended purposes.

Under the Vatukoula Rehabilitation Program, a total of 210 redundant miners were provided financial assistance amounting to \$422,482 of which the Department was to recover 50% (\$211,241) from the miners. The audit noted that the Department only managed to recover \$16,813 as at 19/11/09.

The Department through its National Youth Service Scheme (NYSS) provided financial assistance to 556 youths amounting to \$209,518 from 01/01/08 to 31/12/09 of which the Ministry was to recover 50% within the stipulated timeframe as per the respective recipient's memorandum of understanding. The audit noted that the Department has only recovered \$5,747.

## **Department of Agriculture**

Arrears of revenue for the Department of Agriculture as at 31/12/09 totaled \$3,992,057; an increase by \$13,139 or 0.3% compared to 2008. \$3,390,720 or 85% of total arrears of revenue comprises of Cocoa Development.

A variance of \$237,010 was noted between the Department of Agriculture TMA cash at bank balance and the general ledger balance as at 31/12/09. Hence, audit could not substantiate the accuracy of cash at bank balance.

Audit noted that excessive compensation of annual and long service leave totaling \$620,476 were made in 2009 for employees who have retired, resigned, terminated and promoted.

Dr. Richard Beyer was overpaid by \$8,993 upon resignation from the Civil Service. A total of \$5,290 was deducted from his leave pay leaving an outstanding balance of \$3,703.

The Ministry engaged Narendras Transport Limited and Pravinesh Singh's Bulldozing Company in 2009 for the drainage works in respect of the Sigatoka Valley Improvement Programme. A contract agreement was not drawn up and signed between the two companies. The companies were paid a total amount of \$61,550 for the work done.

Some of the projects approved and funded through the Rural and Outer Island Programme were not implemented satisfactorily. In some instances, the forecasted outputs stated in the project proposals were not achieved, agro inputs and planting materials were not supplied to the farming groups while there was a general lack of commitment from the executing groups.

Competitive quotations were not obtained in the engagement of Active Media Publication Limited for publication in the Turaga magazines. A total payment of \$55,687 was paid to Active Media Publication Limited in 2009. Local Purchase orders were issued after invoices were received.

## **Department of Forest**

The Department did not account for overhead cost incurred such as electricity, water, and indirect labour when preparing its Trading and Manufacturing Account for 2009.

The Department's TMA had opening and closing stock of \$33,503 and \$48,726 respectively. The total amount of purchase made during the year was \$6,104. Audit noted that the closing stock value was \$9,119 more than the cost of stock available as at 31/12/09. The Department could not justify the inclusion of \$80,088 as equity in the TMA Balance Sheet as at 31/12/09

The Fiji Pine Trust accounts showed negative net assets of \$45,966 and \$103,511 for the years 2008 and 2007 respectively indicating that the Trust's total liabilities exceeded its total assets.

The trust has a liquidity problem which is evident in the Trust's current ratio of 0.55:1 in 2008 and 0.02:1 in 2007.

### **Department of Fisheries**

The Department of Fisheries maintains a Trust Fund bank account with Westpac Banking Corporation with a credit balance of \$14,380. The Department did not provide any records and details of this bank account and the Trust Fund balance did not appear in the FMIS.

The Department of Fisheries failed to set up a feedback and monitoring system for those fishermen assisted under the Subsidy Assistance Scheme.

### **Department of Lands**

The financial statements were not presented in accordance with the Financial Management Act. The Department of Lands did not provide the Statement of Losses contrary to Section 82(1) of the Financial Instruction 2005.

The arrears position of the Crown Land Lease has increased by \$7,811,070 or 84% compared to the arrears recorded in 2008.

Commercial activities were carried out on residential lots.

Crown Leases were mortgaged with the commercial bank; however development has not taken place on these leases as required by the Crown Lands Act.

### **Department of Mineral Resources**

The Department operates a Mining Trust Fund Account for monies received from exploration, mining and borehole activities. However, the Department failed to include trust account statement of receipts and payments in its financial statements.

The Department failed to submit a Statement of Losses; therefore audit was unable to substantiate the losses incurred by the Department.

The Department operates a Mining Trust Account with Westpac Banking Corporation. Audit was unable to verify the variance of \$658,352 noted between the General Ledger and the Bank Statement balance as monthly bank reconciliation was not prepared.

While being appropriated a budget of \$3,000 to meet the expenditure for casual workers, audit noted that payments in respect of casual workers exceeded the budgetary allocation by \$59,572. In addition, \$37,775 was used to meet the casual worker's pay from other allocations such as Groundwater Assessment and Development and Geological Mapping.

## **Department of Environment**

The Department maintains a Trust Fund Account with Westpac Banking Corporation for monies received from Naboro Landfill gate fees and from ODS fines. However, the Department failed to disclose the Trust Fund Account in the Agency Financial Statement.

A major variance of \$432,444 was noted between the general ledger and the bank statement for Environment Trust Account.

## **Department of Commerce**

No supporting documents relating to payments made by Trade commission based in Los Angeles from the grant for 3rd and 4th quarter were available for audit review.

Since inception of Telecommunications promulgation 2008 which required establishment of Telecommunication Authority of Fiji significant non-renewal of license in Telecommunication service were noted. The Telecommunication Authority of Fiji is yet to be fully established.

## **Department of Tourism**

The Department incurred expenditure totalling \$121,862 for period 01/01/08 to 30/10/09 to conduct the IVS survey. For the period 01/01/08 to 30/10/09 the Department only sold 10 copies of the IVS report at \$25 each generating total revenues of \$250.

The Department signed an Agreement with Stollznaw Research Pty Ltd of Australia on 22/12/08 amounting to \$72,000 to carry out the data analysis for year 2009. Audit was not provided with documentary evidence to substantiate whether the contract was referred to the Solicitor General Office for vetting and legal clearance. In addition as of the date of audit (05/11/09), the contractor has not provided any analyzed report of data collected by the IVS staff for the year 2009.

## **Department of Cooperatives**

Significant numbers of co-operative societies were being liquidated. Total loans outstanding from these liquidated co-operatives societies were noted to be \$92,580. The recovery of these balances seems to be very uncertain.

Mr. Gani filed a civil action against the Department of Co-operatives and Attorney General's office claiming damages for personal injuries and other consequential losses due to the accident and was awarded damages totaling \$87,531 in October 2005. Nine years has passed since payment of the damages however no surcharge action has been taken against the driver of the government vehicle who is still employed at the Department of Co-operatives.

## **Department of Works**

Trading and Manufacturing Account Accumulated Surplus of \$3,115,127 and Surplus of \$2,043,315 reflected in the Balance Sheet could not be substantiated as supporting documents was not provided for audit.

The Department of Works has not been submitting arrears of revenue return to the Ministry of Finance since they do not have any records at Department's headquarters.

As at 31 December 2009, the Central/Eastern division incurred \$134,546 as cost of idle hours compared to \$154,546 and \$276,474 in 2008 and 2007 respectively.

### **Department Transport**

The Department of Transport did not submit statement of losses and trust account statement of receipts and payments

The Department of GSS and FIMSA incurred VAT penalties amounting to \$9,297 for late lodgment and late payment of VAT.

Credit sales of Nautical charts totaling \$12,792 were not reflected in Trading and Manufacturing Account thus understating Government revenue.

The Department of GSS is being owed \$45,335 as drum deposits as at 31/12/09. The deposits are with Total Fiji Limited.

### **Department of National Roads**

The Department of National Roads Western division failed to prepare and submit the TMA Drawings account reconciliations to Ministry of Finance.

Excess materials were purchased amounting to \$112,124 for the construction of Nokonoko and Naqali Bridge. These materials were not used and were stored at the Samabula Depot. Such practice locked up government funds.

The Department of National Roads made a payment on 29/12/09 amounting to \$223,620 to Humes Industries for which no materials were supplied at the time of the payment. This payment was for the materials for the construction of the Wainibuku Bridge. The construction of the bridge has not begun as at 30 September 2010.

Department of National Roads Western Division purchased concrete products from Humes Industry totaling \$256,112 without obtaining Major Tender Board Approval

### **Department of Public Utilities and Energy**

The Department failed to submit the Trust Account Statement of Receipts and Payments to audit.

The payments of FNPF contributions and VAT could not be reconciled to the accounts of the Department of Water and Sewerage and audit noted that the three divisions are preparing and lodging their own VAT Returns.

Arrears of revenue for Water and Sewerage Rates as at 31/12/09 totaled \$36,755,411 an increase of \$4,399,619 or 14% compared to 2008.

Some capital projects in the Western Division have exceeded their estimated cost allocations and they need to be closely monitored.

Audit noted high rate of unaccounted water for the Suva/Nausori region where more than 50% of the water is unaccounted for in each month.

For the Department of Energy, the payments of FNPF contributions and VAT could not be reconciled to the accounts. In addition, audit noted that two Main Trust Fund Accounts for the Rural Electrification Unit were overdrawn by \$1,198,219 as at 31/12/09.



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## Section 13 **Office of the Director of Public Prosecutions**

### **Role and Responsibilities**

The Office of the Director of Public Prosecutions is responsible for prosecuting appeals before the Fiji Court of Appeal and the Supreme Court. In addition, all High Court trials are prosecuted by State Counsels who also handle appeals to the High Courts at Suva, Lautoka and Labasa.

Cases of special difficulty or of public interest in the Magistrates Court are handled by the Director of Public Prosecutions. Other significant works of the Department includes the determination of complaints against Police and Prison Officers, the provision of written advice to the Commissioner of Police, the Director C.I.D and to other Government departments and statutory organisations.

The Director also considers written representations concerning criminal cases from aggrieved persons, defendants or from their Counsels.

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## **PART 1: FINANCIAL STATEMENTS**

### **13.1 Audit Opinion**

The audit of the 2009 accounts of the Office of Director of Public Prosecutions resulted in the issue of an unqualified audit report.

### 13.2 Statement of Receipts and Expenditure

The Office collected revenue amounting to \$5,283 and incurred a total expenditure of \$3,905,018 in 2009.

**Table 14.1: Statement of Receipts and Expenditure for 2009**

Description	2009 \$	2008 \$
<b>RECEIPTS</b>		
State Revenue	3,913	8,323
Agency Revenue	1,370	-
<b>TOTAL REVENUE</b>	<b>5,283</b>	<b>8,323</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	2,851,674	2,942,820
Unestablished Staff	61,613	66,437
Travel & Communication	201,734	193,320
Maintenance & Operations	249,282	209,849
Purchase of Goods & Services	229,965	282,036
Special Expenditure	114,249	91,487
<b>Total Operating Expenditure</b>	<b>3,708,517</b>	<b>3,785,949</b>
<b>Capital Expenditure</b>		
Capital Construction	-	-
Capital Purchases	72,281	161,788
Capital Grants & Transfers	-	-
<b>Total Capital Expenditure</b>	<b>72,281</b>	<b>161,788</b>
Value Added Tax	124,220	122,503
<b>TOTAL EXPENDITURES</b>	<b>3,905,018</b>	<b>4,070,240</b>

The decline in purchases of good and services and capital purchases resulted in a net decrease in total expenditure by \$165,222 or 4% when compared to 2008.

### 13.3 Statement of Output Costs

The Office has 2 outputs, as prescribed in the Budget Estimates 2009. These are detailed in *Appendix 14.1*.

### 13.4 Appropriation Statement

The Office incurred expenditures totalling \$3,905,018 against a budget of \$4,789,000 resulting in a savings of \$883,982 or 18%. Details of expenditures against the budget estimates are provided in Table 14.2.

**Table 13.2: Appropriation Statement for 2009**

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	3,534,800	-	3,534,800	2,851,674	0	683,126
2	Unestablished Staff	51,900	20,000	71,900	61,613	0	10,287
3	Travel & Communication	228,000	8,500	236,500	201,734	0	34,766
4	Maintenance & Operations	213,000	117,589	330,589	249,282	0	81,307
5	Purchase of Goods & Services	382,700	(101,135)	281,565	229,965	0	51,600
7	Special Expenditure	160,000	(40,000)	120,000	114,249	0	5,751
	<b>Total Operating Costs</b>	<b>4,570,400</b>	<b>4,954</b>	<b>4,575,354</b>	<b>3,708,517</b>	<b>0</b>	<b>866,837</b>
	<b>Capital Expenditure</b>						
8	Capital Construction	-	-	-	-	0	-
9	Purchases	85,000	(4,954)	80,046	72,281	0	7,765
10	Capital Grants & Transfers	-	-	-	-	0	-
	<b>Total Capital Expenditure</b>	<b>85,000</b>	<b>(4,954)</b>	<b>80,046</b>	<b>72,281</b>	<b>0</b>	<b>7,765</b>
13	Value Added Tax	133,600	-	133,600	124,220	0	9,380
	<b>TOTAL EXPENDITURE</b>	<b>4,789,000</b>	<b>0</b>	<b>4,789,000</b>	<b>3,905,018</b>	<b>0</b>	<b>883,982</b>

During the year, the Ministry of Finance approved the transfer of funds within SEGs totalling \$146,089.

### 13.5 Trust Account Statement of Receipts and Payments

The Office received \$5,411 from the sale of forfeited assets where government is a beneficiary. The details of the forfeited assets are provided in Table 13.3.

**Table 13.3: Statement of Receipts and Payments – Forfeited Assets**

Description	2009 (\$)	2008 (\$)
<b>Receipts</b>		
Exhibit Fisheries Department – Lau Group	-	49,790
Forfeited Assets	5,411	53,000
Prosecution Courses	-	22,663
<b>Total Receipts</b>	<b>5,411</b>	<b>125,453</b>
<b>Payments</b>		
	<b>5,411</b>	<b>125,453</b>
Opening Balance as at 1 January	126,494	1,041
<b>Closing Balance as at 31 December 2009</b>	<b>131,905</b>	<b>126,494</b>

## PART 2: AUDIT FINDINGS

### 13.6 Agency Financial Statements

Commencing 2006 financial year, each annual report must include financial statements which have been prepared and signed in accordance with these Instructions, audited by the Auditor General, and accompanied by an audit opinion prepared by the Auditor General.<sup>1</sup>

The financial statements submitted by the Office were not prepared in accordance with the requirements of Section 82 of the Finance Instructions 2005. The Office did not submit a Statement of Losses for audit.

Non compliance with the Finance Instructions in the preparation of the financial statements has restricted the scope of our audit.

#### Recommendation

**The Office should ensure that the requirements of the Finance Instructions are strictly followed in the preparation of the Agency Financial Statements.**

#### Management Comments

*The Office of the Director Public Prosecutions respects the provisions stipulated in the Financial Instructions 2005 section 82 and will adhere to the requirements as stated.*

*The Board of Survey for 2009 was carried out and we determined that no Losses incurred but no proper training was made for staff because of the transfer of our Accountant on last quarter of the Year 2009.*

### 13.7 FNPF Reconciliation

The current rate of contribution (effective 1<sup>st</sup> July, 1999) is 16 cents on each dollar earned, with the employer and employee each contributing 8 cents each.

A reconciliation of superannuation contributions paid to the FNPF and amounts posted to the general ledger (FMIS) revealed a variance of \$20,706.44. Refer to the Table 14.4 for details:

**Table 13.4: Variances**

Details	Balances (\$)
Superannuation paid to FNPF – Payment Vouchers	215,631.23
General Ledger (FMIS)	194,924.79
<b>Variance</b>	<b>20,706.44</b>

The variance implied that either superannuation contributions to the FNPF were overpaid or that transactions relating to the payments of superannuation contributions were wrongly posted in general ledger (FMIS).

<sup>1</sup> Finance Instructions 2005 – 81 (2)  
Office of the Director of Public Prosecutions

**Recommendation**

**Supervisory checks in the Accounts Section should be improved to ensure that the balances in the general ledger (FMIS) and other related records are correct.**

**Management Comments**

*The Office of the Director Public Prosecutions disagrees to the fact that the Office overpaid FNPF contributions of its employees by an amount of \$20,706.*

*Monthly amount paid to FNPF contributions was derived from the CS Report from Ministry of Finance - Salaries Section, which has details of employees' fortnightly contributions. This was properly reconciled against the Departments Payroll before payment is done. Any manual payment contribution could be derived from the FMIS – (AP711) which uphold all payments that are due to be paid.*

**13.8 VAT Reconciliation**

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>2</sup>

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.<sup>3</sup>

A review of the VAT Returns with supporting documents and VAT reconciliations carried out during the audit revealed an un-reconciled balance of \$27,500 between the taxable supplies as per VAT Return and total income/expenditure as per the Statement of Receipts and Expenditure. Refer below for details:

	\$
<b><u>Output VAT</u></b>	
Total Expenditure as per Expenditure Statement	3,905,018
Less: Expenditure not subject to VAT	
SEG 1 Established Staff	2,851,674
SEG 2 Government Wage Earners	61,613
	<u>2,913,287</u>
	<b>991,731</b>
Less: Total Taxable supplies as per VAT Returns	1,019,231
<b>Variance</b>	<u><u><b>(27,500)</b></u></u>

Audit also noted variance between the actual VAT payments for 2009 and the balances disclosed in the general ledger (FMIS). Refer below for details:

<sup>2</sup> Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

<sup>3</sup> Finance Circular No 9/95

**Input VAT**

	\$
VAT payment (VAT payment to FIRCA and VAT input) as per Statement of Receipts and Expenditure	124,220
VAT payment (VAT payment to FIRCA and VAT input) as per VAT Returns for the year	118,510
<b>Variance</b>	<b><u>5,710</u></b>

The above variance implied that the Office has underpaid VAT charged on expenditures.

**Recommendations**

- **The Office should review its VAT records and reconciliations and provide explanations for the variances.**
- **Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the general ledger (FMIS).**

**Management Comments**

*The recommendations as set out are noted. However, we would be grateful if the following could be noted.*

*Preparation of Vat Return was done monthly from the figures derived from the GL Report from the Ministry of Finance – FMIS.*

**13.9 Drawings Account Reconciliation**

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.<sup>4</sup>

The Accounting Head must verify balances in the bank reconciliation to the cashbook, bank statements, unrepresented cheque list and the previous month’s bank reconciliation before certifying it<sup>5</sup>

Our review of the drawings reconciliations revealed the following discrepancies:

- Total cheques issued and presented as per the reconciliations did not correspond to the Cashbook (general ledger) for most months.
- The opening balances of the subsequent months’ reconciliations did not correspond to the closing balances of the preceding month. Refer to Table 13.5 for examples:

**Table 13.5: Drawings Account Reconciliation**

Months	Ending Balance (\$)	Opening Balance for the subsequent Month (\$)	Variance (\$)
May	87,648.64	26,344.64	61,304
July	75,541.86	11,729.36	63,812.50
November	(6,688.27)	6,782.12	(13,470.39)

<sup>4</sup> Finance Instructions 2005 s39(5)

<sup>5</sup> Finance Manual 2005 – Director of Public Prosecutions s.7.4.10

The above finding implied that the monthly Drawings Account reconciliations may not have been thoroughly scrutinised and checked.

### **Recommendations**

- **The Accounts Officer should ensure that monthly reconciliations are carried out in a timely manner.**
- **Supervisory checks on monthly reconciliations should be improved to ensure the accuracy of the balances reflected in the reconciliations.**
- **The Department should immediately reconcile and adjust the variances noted between the general ledger (FMIS) and the Departmental records.**

### **Management Comments**

*The findings and recommendations have been noted.*

*The Office will make sure that proper reconciliation will be done accurately and timely to offset the variances.*

## **13.10 Overdrawn Operating Trust Fund Accounts**

The Trust Fund Account should not be overdrawn<sup>6</sup>. Where the agency becomes responsible for managing trust money, an application shall be made to the Chief Accountant, Ministry of Finance seeking approval to open a separate trust bank account and detailing the nature of the trust and of any beneficiaries.<sup>7</sup>

The following Trust Fund accounts were overdrawn resulting in debit closing balances. Refer to the Table 13.6 for details:

**Table 13.6: Overdrawn Trust Accounts**

<b>Account</b>	<b>Description</b>	<b>Overdrawn Balance (\$)</b>
11410114999861202	241 PD CMLA	42.45
11410114999861204	244 PD-LICI	34.70
11410114999861206	246 PD MARSH & MCLENNAN	4.53
11410114999861816	421 PD RENT GRADE VI	7.55
11410114999861901	201 PD TAX ARREARS / PAYE	32,097.66
11410114999861920	501 PD EMPLOYEES FNPF	129,193.45
<b>Total Overdrawn</b>		<b>161,380.34</b>

Overdrawn Trust Fund accounts indicate that monthly reconciliations have not been properly carried out.

### **Recommendation**

**The Office should ensure that monthly reconciliations are properly carried out and that transactions wrongly posted to the trust fund accounts are immediately rectified.**

**Trust Fund accounts should not be overdrawn.**

<sup>6</sup> Office of the Auditor General Trust Fund Guide (5)

<sup>7</sup> Office's Finance Manual 2005 15.1.1

**Management Comments**

*The Office of Director Public Prosecutions respect and notes the findings to the fact that the Office overdraw the Trust Fund accounts.*

*Proper reconciliation will be done to rectify any misposting so the overdrawn account could be offset.*

**13.11 Main Trust Fund**

Each month, the trust account shall be balanced and reconciled with the trust bank account. The names and balances of each account shall be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items should be investigated and resolved promptly.<sup>8</sup>

A variance of \$5,081.99 was noted between the closing balance of the Trust Fund Account reconciliation as at 31 December 2009 and the Ministry of Finance’s Appendix 23A. Refer to the Table 13.7 for details:

**Table 13.7: Main Trust Fund**

<b>Trust Allocation</b>	<b>General Ledger (FMIS) Appendix 23A (\$)</b>	<b>Department’s Reconciliation (\$)</b>	<b>Variance (\$)</b>
Consolidated Trust Fund	131,904.65	126,822.66	5,081.99

The variance implied mis-postings to the Trust Fund account in the general ledger (FMIS) or that the Department’s records have not been updated.

**Recommendation**

**The Office should liaise with the Ministry of Finance and ensure that the general ledger and the Department’s records are rectified to reflect the correct balance.**

**Management Comments**

*The findings and recommendation pertinent to this matter has been noted.*

<sup>8</sup> (1) Finance Instruction 2005 Section 69 (3)  
Office of the Director of Public Prosecutions

**Appendix 13.1: Statement of Output Cost****Portfolio Leadership, Policy Advice and Secretariat Support**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	28,580	29,429
Unestablished Staff	626	664
Travel & Communication	2,020	1,934
Maintenance & Operations	2,491	2,098
Purchase of Goods & Services	2,300	2,820
Operating Grants & Transfers	-	-
Special Expenditure	1,143	916
<b>Total Operating Costs</b>	<b>37,160</b>	<b>37,860</b>
<b>Capital Costs</b>		
Capital Construction	-	-
Capital Purchases	730	1,618
Capital Grants & Transfers	-	-
<b>Total Capital Costs</b>	<b>730</b>	<b>1,618</b>
Value Added Tax	1,243	1,225
<b>TOTAL COSTS</b>	<b>39,133</b>	<b>40,703</b>

**Prosecution of Suspected Offenders**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	2,829,465	2,913,391
Unestablished Staff	61,955	65,775
Travel & Communication	200,012	191,384
Maintenance & Operations	246,594	207,752
Purchase of Goods & Services	227,663	279,216
Operating Grants & Transfers	-	-
Special Expenditure	113,107	90,572
<b>Total Operating Costs</b>	<b>3,678,796</b>	<b>3,748,090</b>
<b>Capital Costs</b>		
Capital Construction	-	-
Capital Purchases	72,227	160,169
Capital Grants & Transfers	-	-
<b>Total Capital Costs</b>	<b>72,227</b>	<b>160,169</b>
Value Added Tax	123,031	121,278
<b>TOTAL EXPENDITURE</b>	<b>3,874,054</b>	<b>4,029,537</b>



## Section 14 **Department of Justice**

### **Role and Responsibilities**

The Department of Justice is responsible for the efficient and effective delivery of services relating to all the Registries. Justice Department is the point of contact for all those requiring registration of properties, stamp duty, and Company registration.

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## **PART 1: FINANCIAL STATEMENTS**

### **14.1 Audit Opinion**

The audit of the 2009 accounts of the Department of Justice resulted in the issue of an unqualified audit report.

### **14.2 Statement of Receipts and Expenditure**

The Department collected revenue totaling \$15,407,255 and incurred a total expenditure of \$2,253,708 in 2009. Refer to Table 14.1 for details.

**Table 14.1: Statement of Receipts and Expenditures for 2009**

Description	2009 \$	2008 \$
<b>RECEIPTS</b>		
State Revenue	15,405,921	18,698,181
Agency Revenue	1,334	2,332
<b>TOTAL REVENUE</b>	<b>15,407,255</b>	<b>18,700,513</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	1,344,054	1,385,006
Government Wage Earners	71,078	64,099
Travel and Communication	76,480	64,170
Maintenance and Operations	252,464	237,369
Purchase of Goods and Services	36,490	22,249
Operating Grants and Transfers	5,000	5,000
Special Expenditures	329,933	56,836
<b>Total Operating Expenditure</b>	<b>2,115,499</b>	<b>1,834,729</b>
Value Added Tax	138,209	44,443
<b>TOTAL EXPENDITURE</b>	<b>2,253,708</b>	<b>1,879,172</b>

There was a decrease in revenue by \$3,293,258 or 17% in 2009 when compared to 2008. This was mainly due to a substantial increase in the refund of stamp duties in 2009 and other noted reductions in fees collected from registrations and licenses.

The increase in total expenditure by \$374,536 or 20% when compared to the previous year resulted from the following:

- Filling of vacant unestablished positions; and
- Computerization of legal registries.

### 14.3 Statement of Output Costs

The Department has 2 outputs, as prescribed in the Budget Estimates 2009. These are detailed in *Appendix 14.1*.

### 14.4 Appropriation Statement

The Ministry incurred expenditures totaling \$2,253,708 against the budget of \$3,272,500 resulting in a savings of \$1,018,792. Details of expenditures against the budget estimates are provided in Table 14.2.

**Table 14.2: Appropriation Statement for 2009**

SEG	Item	Budget Estimate \$	Changes (Note 4) \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
1	Established Staff	1,629,300	-	1,629,300	1,344,054	0	285,246

SEG	Item	Budget Estimate \$	Changes (Note 4) \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
2	Government Wage Earners	88,100	-	88,100	71,078	0	17,022
3	Travel & Communication	80,000	(3,151)	76,849	76,480	0	369
4	Maintenance & Operations	251,800	1,699	253,499	252,464	0	1,035
5	Purchase of Goods & Services	36,100	1,452	37,552	36,490	0	1,062
6	Operating Grants & Transfer	5,000	-	5,000	5,000	0	-
7	Special Expenditure	1,010,000	-	1,010,000	329,933	0	680,067
	<b>Total Operating Costs</b>	<b>3,100,300</b>	<b>0</b>	<b>3,100,300</b>	<b>2,115,499</b>	<b>0</b>	<b>984,801</b>
13	Value Added Tax	172,200	-	172,200	138,209	0	33,991
	<b>TOTAL EXPENDITURE</b>	<b>3,272,500</b>	<b>0</b>	<b>3,272,500</b>	<b>2,253,708</b>	<b>0</b>	<b>1,018,792</b>

#### 14.5 Statement of Losses

The Department did not provide for audit a board of survey report for 2009 to substantiate the Statement of Loss (other than money).

## PART 2: AUDIT FINDINGS

#### 14.6 VAT Reconciliation

Subject to the provision of the VAT Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>1</sup>

The Senior Accounts Office or Accounts Officer must not certify a payment as correct unless they are satisfied that:<sup>2</sup>

- Sufficient uncommitted funds are available for payment of the account;
- The expenditure account it is charged to is correct

A review of the records pertaining to the accounting of VAT and from the reconciliations performed during the audit revealed significant un-reconciled variance between the taxable actual VAT payments and the total expenditure in the Statement of Receipts and Expenditure.

The audit also noted variance between the actual VAT payments for 2009 and the balances disclosed in the general ledger (FMIS). Refer below for details:

<sup>1</sup> Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

<sup>2</sup> Ministry of Justice Finance Manual 2005 2.8.3(iii,v)

			\$
	Total Income/expenditure as per Expenditure Statement		2,115,498.05
<b>Less:</b>	Expenditure not Subject to VAT -		
	SEG 1	1,344,054.05	
	SEG 2	71,077.93	
	SEG 6	5,000.00	1,420,131.98
			695,366.07
<b>Less:</b>	Total Taxable Supplies as per VAT Returns		763,632.00
	<b>Variance</b>		<b>\$68,265.93</b>
<hr/>			
	VAT Payments (VAT payment to FIRCA and VAT Input as per Financial Statements)		74,624.50
<b>Less:</b>	VAT Payments (VAT payment to FIRCA and VAT Input as per VAT Returns)		39,757.77
	<b>Variance</b>		<b>\$34,866.73</b>

Failing to regularly reconcile VAT records has resulted in the unexplained differences.

**Recommendation**

**VAT Returns should be properly scrutinized by the Accounts Officer to ensure that balances reflected in the VAT Returns reconcile with the general ledger.**

**Department’s Comments**

*Comments not provided.*

**14.7 VAT on Revenue**

With effect from September 2009, all Ministries and Departments are advised to remit to FIRCA, VAT on all fees and charges revenue collected. To facilitate this, a new Standard Liability Group with natural account number (863201) has been created, which will replace the current VAT revenue code 220199.<sup>3</sup>

The Department commenced paying VAT on revenue with effect from February 2009 however this revenue had been debited to the wrong account allocation. Refer to Table 14.3 for examples:

**Table 14.3: Details on VAT on Revenue**

Date	Posted to	Amount (\$)	Correct Allocation
03/2009	1-15101-91993-220199	262.55	863201
03/2009	1-15101-91996-220199	1,632.89	863201
03/2009	1-15101-91997-220199	2,506.17	863201
03/2009	1-15101-92992-220199	2,250.55	863201

<sup>3</sup> Finance Circular 10/2009 of 12/08/2009

Date	Posted to	Amount (\$)	Correct Allocation
04/2009	1-15101-91996-220199	1,000.00	863201
04/200	1-15101-91997-220199	1,659.00	863201
04/2009	1-15101-92992-220199	1,600.00	863201
05/2009	1-15101-91996-220199	1,400.00	863201
05/2009	1-15101-91997-220199	1,600.00	863201
05/2009	1-15101-92992-220199	1,300.00	863201

The Department did not comply with the instructions issued in the Finance Circular 10/2009.

### **Recommendation**

**Supervisory checks in the Accounts Section should be improved to ensure that transactions are correctly posted in the general ledger (FMIS).**

### **Department's Comments**

*Comments not provided.*

## **14.8 Revenue Reconciliation - BDM**

The Revenue collector shall maintain a cashbook in which he/ she shall enter on a daily basis the following details:

- i). Date of receiving cash or cheques and name of payer
- ii). Receipt number and amount received
- iii). Revenue account code<sup>4</sup>

Each Accounting Head shall ensure that:<sup>5</sup>

- a) revenue is recorded against the correct account;
- b) the recording of revenue is reconciled monthly with the Ministry of Finance;
- c) the Ministry of Finance is advised of any errors or discrepancies within 10 working days after the end of each month.

The Revenue Collector does not maintain a Cash Book. All cash received is recorded on the receipt book and transferred to cash analysis in batches of 10. Scrutiny of the revenue collection process revealed that there is no proper reconciliation done to clearly reflect revenue earned in a day.

Although, there is a Register for Officers to record all transactions that takes place during the day, audit noted that not all transactions are posted to the Register.

Scrutiny of a sample of revenue cash analysis register revealed that on two occasions incorrect fees were charged for the services offered by the Department. Refer to Table 14.4 for details:

<sup>4</sup> Ministry of Justice Finance Manual 5.5.1

<sup>5</sup> Finance Instruction 2005 Part 4 :30(1)

**Table 14.4: Anomalies in Revenue Receipts**

Receipt No.	Date	Issued for	Applicable Fee \$	Amount Received \$	Variance \$
748057	01/12/09	Late Birth Registration	11.25	2.25	9.00
660265	01/09/09	Special License	20.25	2.25	18.00

The above indicate that revenue records were not adequately scrutinized and checked by the relevant supervising Officer to ensure that correct fees are charged for the services offered to the public.

The risk of mismanagement of funds increased if adequate checks are not carried out.

**Recommendations**

**The Department should ensure that all procedures designed to enhance control must be followed by all staff.**

**Revenue should be reconciled with a proper cash book or standard register maintained by the Department.**

- **Supervisory checks in the collection and accounting of revenue should be improved.**

**Department’s Comments**

*Comments not provided.*

**14.9 Daily Banking of Revenue**

The banking officer shall bank money received on a daily basis at least.<sup>6</sup>

All money received by an agency must be banked on the day of receipt, or as early as practicable on the next banking day, by an officer who, whenever possible, is independent of the revenue collector.<sup>7</sup>

All revenue received must be lodged into the bank in the appropriate form daily and keeping cash overnight should not be entertained.<sup>8</sup>

Our review of revenue and bank lodgment records indicated that cash collected are not always deposited to the bank on the same day therefore, large sums of cash are often maintained in the Office overnight or over the weekend. Refer to Table 14.5 for examples:

**Table 14.5: Delayed Banking**

Date Received	Date Lodged	Registry	Amount (\$)
2/11/2009	3/11/2009	Births, Deaths Marriages	1,775.45
12/11/2009	13/11/2009	Births, Deaths Marriages	1,955.24
10/11/2009	11/11/2009	Registrar of Titles	835.62
20/11/2009	23/11/2009	Comm of Stamp Duties-Itka	2,733.00

<sup>6</sup> Ministry of Justice Finance Manual 5.4.1

<sup>7</sup> Finance Instructions 2005 section 29(7)

<sup>8</sup> Revenue Collectors Appointment Letter

Date Received	Date Lodged	Registry	Amount (\$)
16/11/2009	17/11/2009	Registrar of Titles	606.23
24/11/2009	25/11/2009	Registrar of Titles	761.54
2/12/2009	3/12/2009	Births, Deaths Marriages	1,563.20
2/12/2009	3/12/2009	Registrar of Titles	732.96
8/12/2009	9/12/2009	Registrar of Titles	966.26
9/12/2009	10/12/2009	Registrar of Titles	717.27
18/12/2009	21/12/2009	Births, Deaths Marriages	1,825.94
17/12/2009	18/12/2009	Stamp Duties- Ltka	2,994.55
27/11/2009	28/11/2009	Stamp Duties- Ltka	4,029.00

There is a high risk of fraud, theft or mismanagement of funds if large sums of cash are maintained in the Office.

### **Recommendation**

**The Department should ensure that all monies received are to be banked daily to avoid or minimize theft, fraud or misappropriation of funds.**

### **Department's Comments**

*Comments not provided.*

## **14.10 Fixed Assets Records**

A stock take shall be undertaken each year to verify the existence and condition of assets recorded in the assets register.<sup>9</sup>

All assets acquired with a cost in excess of \$2,000 shall be recorded in a Fixed Assets Register.<sup>10</sup>

The Assistant Accounts officer shall be responsible for maintaining the Fixed Assets Register. The Fixed Assets Register shall provide the following details:<sup>11</sup>

- i) date of acquisition (including if assets was acquired by transfer, gift or second-hand ) and cost;
- ii) description;
- iii) serial number and model;
- iv) location;
- v) other relevant information (e.g. if assets is sold or written off).

Audit noted that the Department has not conducted its annual stock take of fixed assets for a number of years. Refer to the Table 14.6 below for details:

**Table 14.6: Details of Stock Take**

Section	Date of Last Stock take
Office - Permanent Secretary	08/04/1998
Stamp Duties office	01/03/2004
Companies Office	01/03/2004

<sup>9</sup> Finance Instructions 57

<sup>10</sup> Ministry of Justice Finance Manual 2005 Part 11.1.3

<sup>11</sup> Ministry of Justice Manual 2005 Part 11.2.1

Section	Date of Last Stock take
Office - Permanent Secretary	08/04/1998
Registrar of Titles Office	26/11/2002
Registrar Generals Office	01/03/2004

In the absence of annual stock take, it cannot be ascertained that the fixed assets were properly accounted for. This issue was highlighted in the 2008 in which the Department responded that a report will be submitted once the stock take is done. As at February 2010, the Department is yet to conduct a stock take.

In December 2009, the Department purchased 7 laptops and 60 desktops computers which cost \$152,569. The Department did not maintain proper records for receiving the goods and/or on the issuance of computers to different Sections. In the absence of proper records, it cannot be ascertained whether all the computers have been received and accounted for.

There was also no stock take done on the old computers to identify whether they are still in working condition. Although the old computers are kept in the Inventory Room, audit could not carry out proper verification as there was no Fixed Assets Register.

The above findings imply inadequate controls over the custody of fixed assets, which increases the risk of misappropriation of fixed assets.

### **Recommendation**

**The Department should ensure that stock take is carried out annually and that all fixed assets are taken on charge in a Fixed Assets Register.**

### **Department's Comments**

*Comments not provided.*

## **14.11 Breaches of Procurement Procedures**

A local purchase order shall be issued when procuring any goods, services or works from organisation within Fiji, unless a contract or agreement has been entered into<sup>12</sup>.

It is to be ensured that there is no over-expenditure and that the accounts are paid and charged correctly to allocations within the 2009 financial year. Note that the issuing of Purchase Orders is to be reduced to essential items only by 04/12/2009.<sup>13</sup>

Competitive quotes, instead of public tenders, may be called for procurements below \$20,000 unless the CEO has approved an exemption in accordance with Finance Instruction 12-(6).<sup>14</sup>

Our review of payment vouchers and related records revealed that the Department breached Government procurement procedures by not issuing Local Purchase Orders for some purchases made in 2009. In addition, in some cases, payments were made to suppliers prior to the supply of goods and services to the Department. Refer to Table 14.7 for details:

<sup>12</sup> Finance Manual 2.5.1

<sup>13</sup> Finance Circular 15/2009 Section 7.1.2

<sup>14</sup> Ministry of Justice Finance Manual 2.3.2

**Table 14.7: Purchase Order Not Issued or Issued after 4/12/09**

Date	Payee	PV No.	Amount (\$)	Particulars	Comments
24/12/2009	Bondwel Computers	13995	627.00	Being payment of 3* Brother fax machines-	No Purchase order issued
31/12/2009	Vinod Patel	14030	6,125.00	Being payment of filing cabinets-	Purchase order issued on 31/12/09 and goods supplied on 08/01/2010
31/12/2009	Camgooder & Associates	14031	13,450.01	Being payment of 2 cash register machines.	Purchase order issued on 31/12/09 and goods supplied on February 2010
17/12/2009	Datec Fiji Ltd	13967	69,241.08	Being payment 4* photocopying machines	Purchase order issued on 17/12/09
31/12/2009	VT Solution	14025	42,993.00	Being payment of 7* Toshiba Satellite L300 Notebook and 3* Lenmark Laser Printer.	Goods supplied in February 2010

Circumventing internal control procedures increases the risk of fraud and mismanagement of public funds.

### **Recommendation**

**The Department should ensure that procurements of goods and services are made in accordance to the Finance Instruction 2005.**

### **Department's Comments**

*Comments not provided.*

## **14.12 Filing of Company Documents**

Every company not having a share capital shall, once at least in every calendar year, make a return. There shall be annexed to the return a statement containing particulars of the total amount of the indebtedness of the company in respect of all mortgages and charges which are required to be registered with the registrar under this act.<sup>15</sup>

Review of a sample of company files revealed the following irregularities:

- In some cases, the annual returns were not signed by the Registrar of Companies. Refer to the Table 14.8 below for examples:

**Table 14.8: Annual Return not Signed**

Name of Company	Annual Return not Signed
Danam Fiji Ltd	2007 annual return
Nesh Investment Ltd	2207,2008 and 2009 annual return
Hangton Pacific Co. Ltd	2005 – 2008 annual return

- Some companies have not lodged any annual return since registering with the Office. Refer Table 14.9 for examples.

<sup>15</sup> Companies Act, Cap 247 Section 128(2)

**Table 14.9: Annual Return not Lodged**

Name of Company	Comments
Pacific Products (Fiji) Ltd	Registered in 1998, no annual report submitted
Up Front Investments Ltd	Registered in 1998, no annual report submitted
Sigatoka Stationery Supplies Ltd	Registered in 1999, no annual report submitted

- Annual returns and other documents submitted by various companies are not normally filed in the respective company files when received.

The above issues have been highlighted in previous years and yet the Department continued to ignore the recommendations made by this office.

**Recommendation**

**The Department should ensure that all Annual Returns are signed by the Registrar of Companies and documents are properly maintained in the individual company files.**

**Department's Comments**

*Comments not provided.*

**Appendix 14.1: Statement of Output Costs for 2009****General Administration**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	509,295	556,759
Government Wage Earners	32,638	29,416
Travel & Communications	35,844	15,422
Maintenance & Operations	68,880	84,037
Purchase of Goods & Services	36,234	1,474
Operating Grants & Transfers	5,000	5,000
Special Expenditures	183,240	0
<b>Total Operating Costs</b>	<b>871,131</b>	<b>692,108</b>
Value Added Tax	53,376	4,322
<b>TOTAL COST</b>	<b>924,507</b>	<b>696,430</b>

**Registries**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	834,759	828,249
Government Wage Earners	38,440	34,683
Travel & Communications	40,636	48,749
Maintenance & Operations	183,584	153,329
Purchase of Goods & Services	256	20,776
Special Expenditures	146,693	56,836
<b>Total Operating Costs</b>	<b>1,244,368</b>	<b>1,142,622</b>
Value Added Tax	84,833	40,121
<b>TOTAL COST</b>	<b>1,329,201</b>	<b>1,182,743</b>



## Section 15 Ministry of Information, National Archives and Library Services

### Role and Responsibilities

#### Information and Media Relations

The Ministry is responsible for disseminating information in Fiji and the government's plans, policies and progress to promote development through a well informed and enlightened society. Through its programme, it aims to create positive attitudes to community and national development, stimulate and mobilize support for government policies and programmes. It aims to increase public awareness of their social, economic and political environment and to better inform them about major national development issues. As government's information agency, the Ministry also provides the link between Government and media and through the latter with people.

#### National Archives

The National Archives of Fiji is responsible for the appraisal, acquisition, safe custody, and the proper conservation and maintenance of the permanent records of the government. This includes control of access of these records, the provisions of reference and information service to Ministries and Departments, students and members of the public, as well as the promotion of the scholarly research among the records held by it. The Department also advises and assists Government Offices in their record management.

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## PART 1: FINANCIAL STATEMENTS

### 15.1 Audit Opinion

The audit of the 2009 accounts of the Ministry of Information, National Archives and Library Services resulted in the issue of an unqualified audit report.

## 15.2 Statement of Receipts and Expenditure

The Ministry collected revenue totalling \$41,683 and incurred a total expenditure of \$3,977,868 in 2009.

**Table 15.1: Statement of Receipts and Expenditures for 2009**

Description	2009 \$	2008 \$
<b>RECEIPTS</b>		
<b>State Revenue</b>		
License Fees - Telecom & TV	1,917	11,368
<b>Total State Revenue</b>	<b>1,917</b>	<b>11,368</b>
<b>Agency Revenue</b>		
Revenue from Sale of Production Film	3,713	9,487
Miscellaneous	36,053	16,809
<b>Total Agency Revenue</b>	<b>39,766</b>	<b>26,296</b>
<b>TOTAL REVENUE</b>	<b>41,683</b>	<b>37,664</b>
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	1,082,287	1,030,919
Unestablished Staff	185,620	161,770
Travel & Communication	159,897	135,098
Maintenance & Operations	197,769	153,983
Purchase of Goods & Services	606,742	290,568
Operating Grants & Transfers	1,164,442	1,427,619
Special Expenditure	387,529	197,875
<b>Total Operating Expenditure</b>	<b>3,784,286</b>	<b>3,397,832</b>
<b>Capital Expenditure</b>		
Capital Construction	25,000	776,071
Capital Purchase	-	19,070
<b>Total Capital Expenditure</b>	<b>25,000</b>	<b>795,141</b>
Value Added Tax	168,582	205,820
<b>TOTAL EXPENDITURE</b>	<b>3,977,868</b>	<b>4,398,793</b>

The increase in total revenue by \$4,019 or 11% was due to increase in revenue collected by the Film & Television Unit. Total expenditure declined by \$420,925 or 10% due to the decrease in capital expenditure allocated to the construction of the National Archive building when compared to 2008.

## 15.3 Statement of Output Costs

The Statement of Output Costs consolidates the 7 outputs prescribed in the Budget Estimates. These are detailed in Appendix 15.1.

## 15.4 Appropriation Statement

The Ministry incurred expenditures totalling \$3,977,868 in 2009 against the budget of \$3,956,400 resulting in an over-expenditure of \$21,468. Details of expenditures against the budget estimates are provided in Table 15.2.

**Table 15.2: Appropriation Statement for 2009**

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
1	Established Staff	1,043,500	45,060	1,088,560	1,082,287	0	6,273
2	Unestablished Staff	128,500	21,350	149,850	185,620	0	(35,770)
3	Travel & Communication	155,600	4,750	160,350	159,897	0	453
4	Maintenance & Operations	203,200	(4,940)	198,260	197,769	0	491
5	Purchase of Goods & Services	329,900	279,420	609,320	606,742	0	2,578
6	Operating Grants & Transfers	1,230,200	(65,650)	1,164,550	1,164,442	0	108
7	Special Expenditure	367,800	20,010	387,810	387,529	0	281
	<b>Total Operating Costs</b>	<b>3,458,700</b>	<b>300,000</b>	<b>3,758,700</b>	<b>3,784,286</b>	<b>0</b>	<b>(25,586)</b>
	<b>Capital Expenditure</b>						
8	Capital Construction	325,000	(300,000)	25,000	25,000	0	0
	<b>Total Capital Expenditure</b>	<b>325,000</b>	<b>(300,000)</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	<b>0</b>
13	Value Added Tax	172,700	0	172,700	168,582	0	4,118
	<b>Total Expenditure</b>	<b>3,956,400</b>	<b>0</b>	<b>3,956,400</b>	<b>3,977,868</b>	<b>0</b>	<b>(21,468)</b>

Officers worked overtime as a result of the Public Emergency Regulation which required close monitoring of all media outlets in Fiji. There were no additional funds provided by the Ministry of Finance for payments of overtime expenses, which resulted in the over-expenditure incurred by the Ministry.

## 15.5 Statement of Losses

There was no loss of money or assets recorded for the year 2009.

## PART 2: AUDIT FINDINGS

### 15.6 Overdrawn Operating Trust Fund Account

Each month, the trust account shall be balanced and reconciled with the trust bank accounts. The names and balances of each account shall be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items should be investigated and resolved promptly.<sup>1</sup>

<sup>1</sup> Finance Instructions 2005 – Section 69 (3)

According to the Ministry of Finance's Appendix 23B, the Ministry has an Operating Trust Fund accumulated balance of \$6,565 as at 31 December 2009. Audit noted that seven of the Operating Trust Fund accounts were overdrawn (debit balances). Refer to the Table 15.3 for details:

**Table 15.3: Details of the Operating Trust Fund Account**

Account No	Overdrawn Balances \$
246 PD Marsh & McLennan	1.40
PD Others	81.18
PD PSC scholarship loan	35.87
286 PD Fiji Public Service	12.00
316 PD Service Worker	67.50
201 PD Tax Arrears	1,597.81
501 PD Employees	3,446.44
<b>Total</b>	<b>5,242.20</b>

The overdrawing of Operating Trust Fund may have resulted from incorrect job. The overdrawn balances have been carried over from previous years. In the absence of proper records and reconciliations, it is difficult to authenticate the accuracy of the Operating Trust Fund balance as stated in the Ministry of Finance's Appendix 23B and the general ledger (FMIS).

#### Recommendations

- **Monthly reconciliations should be carried out properly and accurately.**
- **Transactions posted to the general ledger (FMIS) should be supported with documentary evidences and are to be produced during audit.**
- **Supervisory checks in the Accounts Section should be strengthened and improved.**
- **A thorough review of the Operating Trust Fund accounts is recommended to rectify incorrect journal entries that may have been posted to the accounts from previous years.**

#### Management Comments

*The monthly reconciliations are carried out and submitted to the Ministry of Finance. The reconciliations balance with the FMIS figures. Transactions posted to the General Ledgers are from two sources namely, the payment vouchers and journal vouchers. These documents are filed with the Accounts Section and are available for view by the audit team.*

*It is unfortunate that there are only three staff members in the Accounts Section and that the Senior Accountant who should in fact be supervising overall is actually doing the clerical work of reconciliations and other duties to support the two clerks.*

*The Ministry is also concerned that Trust Accounts are in debit balances and as explained in our first response, these debit balances are results of mis-postings and instances where two accounts numbers are operating for the same Trust account thus the debits are posted to one account and the credits to another account. The Ministry agrees that a thorough reconciliation should be done and the Ministry will ensure that this is done.*

### **15.7 VAT Claimed on Exempted Items**

Subject to the Provisions in the VAT decree, the following supplies are regarded as zero-rated supplies. The supply of transport services relating to international carriage of passengers and goods

from a place in Fiji to a place outside Fiji, or from a place outside Fiji to a place in Fiji and the supply of water.<sup>2</sup>

Subject to the provision of the VAT Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>3</sup>

Our review of the expenditure records revealed that the Ministry had charged VAT on zero rated supplies. Refer to the Table 15.4 for examples:

**Table 15.4: Vat Charged On Zero Rated Supplies**

Date	Vendor	Details	PV No.	Amount (\$)
07/05/09	McQuaire Travel	Air ticket	15902	4,830.00
31/07/09	Discount Flight Centre	Return Air Ticket	16545	5211.00
10/08/09	Water Rates Office	Water Bill	16636	282.40
12/05/09	Water Rates Office	Water Bill	15922	159.80

It was also noted that the Ministry failed to prepare its monthly VAT reconciliations although the issue was raised in 2008 Audit Report. The reconciliation ensures that VAT on total income and expenditures are properly accounted for and are correctly paid to FIRCA during the year.

The risk of incorrect accounting and payments of VAT increases when monthly reconciliations are not carried out.

### **Recommendations**

- **VAT should not be claimed on zero rated supplies that are listed on the Second Schedule of the VAT decree.**
- **Monthly VAT reconciliations should be undertaken and supervisory checks performed to ensure that VAT is correctly accounted for and paid to FIRCA.**

### **Management Comments**

*Since the inception of the Value Added Tax way back in the 90's Accounting of VAT has been based on the instruction given by the Ministry of Finance and this has been the way all government accountants have been calculating the VAT each month. Initially only two segs were VAT Exempt, Seg 6 (Operating Grants and Transfers) and Seg 10 (Capital Grants and Transfers). From 2008 Segs 1 and 2 were also added to the exempt list. All other segs from 3 to 5 and Segs 7 to 9 were Vatable allocations. The list provided by the Audit report are items payable from Seg 3 and Seg 4 which are not VAT exempt items according to Ministry of Finance instruction. Any deviation from the above is a policy matter and should be addressed by the Ministry of Finance through a Finance Circular.*

## **15.8 Public Service Broadcasting (PSB)**

The Supplier must declare all revenues earned from advertising and other sponsored programmes in its financial report that are presented quarterly to the CEO Ministry of Information.<sup>4</sup> An annual audited

<sup>2</sup> Value Added Tax Decree 1991 – 4<sup>th</sup> Edition – Second Schedule – Zero rated supplies (Section 2).

<sup>3</sup> Value Added Tax Decree 1991 – 4<sup>th</sup> Edition revised on 30/04/04 – Section 15(1).

<sup>4</sup> Public Service Broadcasting Agreement 2006 – 2008: Schedule 1 Part 5.

report on the PSB account is to be submitted to the Ministry of Information by April 30<sup>th</sup> of the following year.<sup>5</sup>

Our review of the Agreement between the Government and Fiji Broadcasting Corporation Limited (FBCL) together with related records revealed the following anomalies:

- A 3 year Agreement effective from 1 January 2006 ended on 31 December 2008. The contract is yet to be renewed however according to the Deputy Secretary; there was a written directive from Cabinet authorizing the Ministry to continue using the old agreement for the year 2009. The cabinet decision was not provided for audit verification.
- Fiji Broadcasting Corporation Limited failed to provide the Ministry with the annual audited accounts for the last three years as required by the Agreement.
- In the acquittal reports submitted to the Ministry, the company failed to provide revenues that are earned from other sources such as advertisement, and sponsorship as required by the Agreement.

The above findings indicate a breach of the agreement between the Ministry and the FBCL.

#### **Recommendations**

- **The Ministry should ensure that terms and conditions of agreements with grant recipients are complied with.**
- **Monitoring of the services provided by grant recipients should be improved.**

#### **Management Comments**

*The Ministry admits that there has been some difficulty in ensuring that the Fiji Broadcasting Corporation Limited (FBCL) adheres to the terms of the Public Service Broadcast Contract. Meetings between the Ministry and FBCL were organized in 2009 to address these issues. These are critical matters which are also raised in the Ministry's report to the Prime Minister on the Performance of the FBCL against the PSB Contract. A copy of the "Report" is attached.*

*The Ministry undertakes to improve on the monitoring of the Public Service broadcast provided by the FBCL.*

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<sup>5</sup> Public Service Broadcasting Agreement 2006 – 2008: Part 6.

**Appendix 15.1: Statement of Output Costs****Policy and Administration 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	212,424	231,506
Unestablished Staff	173,048	96,551
Travel & Communication	94,850	68,797
Maintenance & Operations	86,037	87,279
Purchase of Goods & Services	51,874	31,553
Operating Grants & Transfers	1,163,345	1,426,939
Special Expenditure	384,607	195,105
<b>Total Operating Costs</b>	<b>2,166,185</b>	<b>2,137,730</b>
Value Added Tax	69,690	56,336
<b>TOTAL EXPENDITURE</b>	<b>2,235,875</b>	<b>2,194,066</b>

**Film and Television Unit 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	239,989	203,942
Unestablished Staff	0	45,336
Travel & Communication	21,884	20,216
Maintenance & Operations	29,827	31,950
Purchase of Goods & Services	408,155	106,294
<b>Total Operating Costs</b>	<b>699,855</b>	<b>407,738</b>
<b>Capital Expenditure</b>		
Capital Construction	25,000	0
<b>Total Capital Expenditure</b>	<b>25,000</b>	<b>0</b>
Value Added Tax	24,820	19,500
<b>TOTAL EXPENDITURE</b>	<b>749,675</b>	<b>427,238</b>

**News and Publications 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	382,872	384,036
Travel & Communication	37,839	40,528
Maintenance & Operations	6,219	4,913
Purchase of Goods & Services	108,685	119,401
Special Expenditure	2,922	2,770

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>Total Operating Costs</b>	<b>538,537</b>	<b>551,648</b>
Value Added Tax	20,876	23,717
<b>TOTAL EXPENDITURE</b>	<b>559,413</b>	<b>575,365</b>

**National Archives 2009**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	247,002	211,435
Unestablished Staff	12,571	19,884
Travel & Communication	5,324	5,558
Maintenance & Operations	75,686	29,841
Purchase of Goods & Services	38,027	33,319
Operating Grants & Transfers	1,096	680
<b>Total Operating Costs</b>	<b>379,706</b>	<b>300,717</b>
<b>Capital Expenditure</b>		
Capital Construction	0	776,071
Capital Purchase	0	19,070
<b>Total Capital Expenditure</b>	<b>0</b>	<b>795,141</b>
Value Added Tax	53,196	106,266
<b>TOTAL EXPENDITURE</b>	<b>432,902</b>	<b>1,202,124</b>

## Section 16 Prisons and Corrections Department

### Role and Responsibilities

The Department is responsible for the safe, secure and humane treatment of persons in custody by providing opportunities to correct offending behaviour, develop work and life skills and perform community service. Under the framework of the Fiji Prisons Act and Public Service Administrative Guidelines, the Fiji Prisons Service works towards enhancing the quality of custodial responsibilities, improve inmate rehabilitation programmes, developing human resources, effective use of resources and modernizing the service.

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## PART 1: FINANCIAL STATEMENTS

### 16.1 Audit Opinion

The audit of the 2009 accounts of the Prisons and Corrections Department resulted in the issue of an unqualified audit report.

### 16.2 Statement of Receipts and Expenditure

The Department collected total revenue of \$102,252 and incurred expenditures amounting to \$15,371,764 in 2009. Refer to Table 16.1 for details.

**Table 16.1: Statement of Receipts and Expenditures for 2009**

Description	2009 \$	2008 \$
<b>RECEIPTS</b>		
State Revenue	96,327	427,809
Agency Revenue	5,725	450
<b>TOTAL REVENUE</b>	<b>102,052</b>	<b>428,259</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	8,744,247	8,384,399
Unestablished Staff	465,362	279,921
Travel and Communication	339,616	349,027
Maintenance and Operations	857,089	933,051
Purchase of Goods and Services	1,583,128	1,550,621
Operating Grants and Transfers	11,968	15,143
Special Expenditures	680,417	276,563
<b>Total Operating Expenditure</b>	<b>12,681,827</b>	<b>11,788,725</b>
<b>Capital Expenditure</b>		
Construction	1,924,690	740,412
Purchases	163,773	32,084
<b>Total Capital Expenditure</b>	<b>2,088,463</b>	<b>772,496</b>
<b>Value Added Tax</b>	<b>601,474</b>	<b>487,425</b>
<b>TOTAL EXPENDITURE</b>	<b>15,371,764</b>	<b>13,048,646</b>

The increase in total expenditures by \$2,323,118 or 18% compared to 2008 resulted from the following:

- Payment for Phase 4 of the Job Evaluation Exercise.
- Increased awareness activities for the Yellow Ribbon Project and Rehabilitation programmes for inmates.
- Upgrading of Staff Quarters and installation of CCTV at the Naboro Prison complex and maintenance works at various prison facilities.

### 16.3 Statement of Output Costs

The Statement of Output Costs consolidates the 6 outputs as prescribed in the Budget Estimates. These are detailed in Appendix 16.1.

### 16.4 Appropriation Statement

The Department incurred expenditures totaling \$15,371,764 against the budget of \$15,959,900 resulting in a savings of \$588,136.

Details of expenditures against the budget estimates are provided in Table 16.2.

**Table 16.2: Appropriation Statement for 2009**

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
1	Established Staff	8,720,900	71,735	8,792,635	8,744,247		48,388
2	Unestablished Staff	537,100	(71,735)	465,365	465,465		3
3	Travel & Communication	304,900	46,242	351,142	339,616		11,526
4	Maintenance & Operations	755,800	110,000	865,800	857,089		8,711
5	Purchase of Goods & Services	1,732,200	(132,242)	1,599,958	1,583,128		16,829
6	Operating Grants & Transfer	13,400	0	13,400	11,968		1,432
7	Special Expenditure	772,900	(9,000)	763,900	680,417		83,483
	<b>Total Operating Costs</b>	<b>12,837,200</b>	<b>15,000</b>	<b>12,852,200</b>	<b>12,681,827</b>	<b>0</b>	<b>170,373</b>
	<b>Capital Expenditure</b>						
8	Construction	2,200,000	0	2,200,000	1,924,690		275,310
9	Purchases	179,500	(15,000)	164,500	163,773		727
	<b>Total Capital Expenditure</b>	<b>2,379,500</b>		<b>2,364,500</b>	<b>2,088,463</b>	<b>0</b>	<b>276,037</b>
13	Value Added Tax	743,200	0	743,200	601,474	0	141,726
	<b>TOTAL EXPENDITURE</b>	<b>15,959,900</b>	<b>0</b>	<b>15,959,900</b>	<b>15,371,764</b>	<b>0</b>	<b>588,136</b>

**16.5 Statement of Losses**

The Department did not provide a Statement of Losses for audit.

**PART 2: AUDIT FINDINGS**

**16.6 Fixed Assets Records**

The accounts officer shall be responsible for maintaining the fixed assets register<sup>1</sup>. All assets acquired with a cost in excess of \$2,000, shall be recorded in a fixed asset register. The accounts officer must ensure that the fixed assets register is kept updated<sup>2</sup>. The accounts officer shall record items valued at less than \$2,000 but more than \$200, in an expendable item register<sup>3</sup>. The Accounting Head should nominate two stock take officers to undertake an annual stock take of fixed assets and expendable items at a specified date<sup>4</sup>.

A stock take shall be undertaken each year to verify the existence and condition of assets recorded in the assets register.<sup>5</sup>

Audit noted that items purchased in 2009 and in previous years have not been recorded as the Department did not maintain a Fixed Asset Register. Refer to Table 16.3 for examples:

<sup>1</sup> Section 11.2.1 Finance Manual  
<sup>2</sup> Section 11.1.3 Finance Manual  
<sup>3</sup> Section 11.2.5 Finance Manual  
<sup>4</sup> Section 11.4.1 Finance Manual  
<sup>5</sup> Finance Instructions 2005-57

**Table 16.3: Details of Purchases in 2009**

PV No.	Supplier	Items	Amount [\$]
36794 of 28/12/09	Compac	30 Radio hand held accessories @ \$559 each	18,870
36813 of 29/12/09	Daltron Computech	1 laser color printer/scanner @ \$1,139 each	1,139
36548 of 22/12/09	Neritak Equipment Ltd	4 portable generator @ \$2,800 each	12,600
30779 of 15/05/09	Daltron Computech	2 computer @ \$1,688.90	3,377
36760 of 23/12/09	Carpenters Motors	1 Motorbike @ \$13,500	13,500
36590 of 16/12/09	Neritak Equipment Ltd	6 Water blaster @ \$1,022.22	6,900
36774 of 23/12/09	Lalas Bargain Centre	5 Large Pots @ \$650.00	3,250
		5 Large Pots @ \$600.00	3,000
		5 Large Pots @ \$550.00	2,750

The Department has not conducted its annual stock take of fixed assets for 2009 and therefore the Statement of Losses provided for audit cannot be adequately substantiated.

The above findings imply inadequate controls over the custody of fixed assets, which increases the risk of misappropriation of fixed assets.

### **Recommendation**

**The Department should ensure that stock take is carried out annually and that all fixed assets are taken on charge in a Fixed Assets Register.**

### **Management Comment**

*In 2009 the Department had taken appropriate action in carrying out a thorough survey of its fixed assets and this exercise is an on-going one.*

## **16.7 VAT Reconciliation**

Subject to the provision of the VAT Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>6</sup>

With effect from September 2009, all Ministries and Departments are advised to remit to FIRCA, VAT on all fees and charges revenue collected.<sup>7</sup>

A review of the records pertaining to the accounting of VAT and from the reconciliations performed during the audit revealed significant un-reconciled variance between the taxable actual VAT payments and the total expenditure in the Statement of Receipts and Expenditure.

The audit also noted variance between the actual VAT payments for 2009 and the balances disclosed in the general ledger (FMIS). Refer below for details:

	<b>\$</b>
Total Income/Expenditure as per Expenditure Statement	15,371,764.58
<b>Less:</b> Expenditure not Subject to Tax – SEG 6	11,968.21

<sup>6</sup> Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

<sup>7</sup> Finance Circular-10/2009: section 5.0

	SEG 1	8,744,247.28
	SEG 2	<u>465,362.39</u>
		6,150,186.70
<b>Less:</b>	Total Taxable Supplies as per Vat Returns	<u>5,941,994.49</u>
	<b>Variance</b>	<b><u>\$208,192.21</u></b>

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	VAT Payments(VAT payment to FIRCA and VAT Input as per Financial Statement)	541,206.31
<b>Less:</b>	VAT Payments (VAT payment to FIRCA and VAT input as per VAT Returns for the year)	516,283.46
	<b>Variance</b>	<b><u>\$24,922.85</u></b>

The failure to carry out regular VAT reconciliations may result in the unexplained differences.

**Recommendation**

**Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the general ledger.**

**Management Comments**

*Comments were not provided.*

**16.8 FNNPF Reconciliation**

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee is employed by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.<sup>8</sup>

A reconciliation of superannuation contributions paid to the Fiji National Provident Fund against salaries and wages reported in the Financial Statements revealed variances as follows:

	\$	
FNNPF as per Financial Statements		603,976.87
Salaries, Wages & Allowances as per Financial Statement	8,605,633.24	
<b>Less:</b> Salaries & Wages not subject to FNNPF	<u>0</u>	
Salaries, Wages & Allowances subject to FNNPF	<u>8,605,633.24</u>	

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<sup>8</sup> Chapter 219 – Fiji National Provident Fund – Section 13 (1)  
Department of Prisons and Corrections

FNPF for 2009 (8,605,633.24 *0.08)	688,450.66
<b>Variance</b>	<b>(84,473.79)</b>

The Department did not provide explanations for the variances noted. Superannuation contributions to the FNPF may have been underpaid or that transactions related to the superannuation contributions have been wrongly posted in the general ledger (FMIS).

**Recommendation**

**Regular reconciliations should be carried out to ensure that superannuation contributions paid to the FNPF are correct.**

**Management Comments**

*Comments were not provided.*

**16.9 Underline Accounts**

A ledger shall be maintained for advances and revolving fund accounts<sup>9</sup>. With 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Supervisor shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.<sup>10</sup>

To clear the Revolving Fund Account to a zero balance, audit noted that the Department reflected the Prepaid Expense Account and the Advance Account balances of \$822 and \$3,648 respectively in the Department’s Trust Fund reconciliation as at 31 December 2009.

The Revolving Fund Account – Miscellaneous reconciliation prepared by the Department was incorrect.

From our review of the Operating Trust Fund records, we noted a variance of \$5,491.20 between the general ledger (FMIS) and the closing balance of the Department’s reconciliation as at 31 December 2009. Refer to Tables 16.4 and 16.5 for details:

**Table 16.4: Details of Differences in Balances**

	Amount \$
Balance as per General Ledger (FMIS)	72,868.42
Balance as per Departments Record	67,377.22
<b>Variance</b>	<b>5,491.20</b>

**Table 16.5: Individual Account Differences**

Account No.	Description	General Ledger (FMIS) \$	Department’s Record \$	Variance \$
11520199011861600	342 PD Maintenance - Nausori	(102.76)	-	(102.76)
11520171999863200	VAT on Revenue	(1,656.49)	-	(1,656.49)

<sup>9</sup> Finance Manual 2005 16.3.1  
<sup>10</sup> Finance Manual 2005 16.3.3

Account No.	Description	General Ledger (FMIS) \$	Department's Record \$	Variance \$
11520171999861201	Fiji Care Insurance Group	-	(635.29)	635.29
11520199011861602	Blue Shield	-	(102.76)	102.76
11520171999570101	Pre paid Expenses	-	822.00	(822.00)
11520171999570301	Advances	-	3,648.00	(3,648.00)

The above indicate that monthly reconciliations were not properly carried out and that supervisory checks were inadequate.

### Recommendations

- The Department should ensure that accountable advance is cleared within 7 days on returning to the station and charge interest for those that failed to retire the advances within the stipulated timeframe.
- Prepaid Expense Account and the Advance Account balances should be included in the Revolving Fund Account – Miscellaneous reconciliation.
- The Department should ensure that the Trust Fund Account reconciliations are prepared, verified and reconciled to the general ledger (FMIS).

### Management Comments

*Comments were not provided.*

## 16.10 Institution Upgrading Projects

Public tender must be called for any procurement of goods, services or works valued at \$20,000 or more<sup>11</sup>.

Where it is necessary to request another agency to perform works or services on the agencies behalf, the Accounts Officer may authorize the issue of a Departmental Warrant to the performing agency to carry out the works or services. On receipt of an advice from the performing agency, the clerical officer shall verify the warrant authority and check supporting documentation before accepting the charges.

The Department redirected funds allocated for the upgrading project for cell blocks and quarters to cater for other upgrading projects identified in 2009. The total amount allocated for the upgrading projects was \$1.7 million.

Our audit noted that the Department did not call for tender for the upgrading works but the contract was awarded to the Public Works Department (PWD). The estimated costs provided by PWD for the projects were over \$2 million against a budget of \$1.7 million. Seven projects were either incomplete or not properly carried out. Refer to the Table 16.6 for the status of projects:

**Table 16.6: Details of the Status of the Project**

Institution	Projects	Cost [\$]	Remarks
Suva	Ablution Block	54,354	Project incomplete - On physical inspection the tiling works on the floor and walls were not properly done. The whole area should have been tiled, but it was not done by PWD.

<sup>11</sup> Section 2.3.1 Finance Manual

Institution	Projects	Cost [\$]	Remarks
Naboro	Mess Hall & Kitchen	181,112	Project incomplete - Pre Release Center, kitchen and Mess Hall were not done properly. The prisoners are cooking food at a makeshift kitchen.  Project incomplete - Minimum Prison Mess Hall - The painting of the wall in the kitchen and the Mess Hall were not properly done. The cost of both the ablution block and the Mess Hall amounted to \$110,386.
Naboro	Staff Quarters	420,737	Project incomplete - The families of staffs were still occupying the quarters while renovations were being carried out, which hindered the completion of the work. Proper planning would have allowed the smooth relocation of staff/families during the renovation works.
Naboro	Minimum Visiting Area	33,849	Project incomplete - The visitors seating area was not enclosed however the cost of project was \$33,849, which indicated that the project was not completed with the available funds.  The ablution block was not completed and some blocks have not been renovated at all. Furthermore, there were no proper outlet provisions from the wash tub to drain water out of the building.
Naboro	Ablution Block and Mess Hall	110,386	Project incomplete - The sewer line project was supposed to replace all the sewer line around the Korovou Prison complex, however only one sewer pipe was replaced.
Naboro	Fence Bracing – Medium	117,899	Project incomplete - The cost of the fence bracing project was \$117,899 and the project was not completed.
Naboro	Upgrading Dog Section Office	174,208	Project incomplete - The building block was incomplete.

Insufficient record was maintained by the Department on the upgrading works; this affected the scope of our audit. It was difficult to determine that projects were completed as there were insufficient adequate records to verify the physical progress of the work. According to the Staff Officer Building<sup>12</sup>, works to be carried out were instructed verbally to the workers of PWD.

The above implied that the Department has not been vigilant in monitoring the capital works undertaken by PWD.

Failure to monitor the implementation of the projects and maintain sufficient appropriate records increases the risk of mismanagement of funds allocated for capital project.

### **Recommendations**

- **The Department should comply with the Government's procurement procedures as stated in the Finance Instructions and Manual when procuring goods, service or works above \$20,000.**
- **Monitoring of the implementation of the projects should be improved. Acquittals and supporting documentations should be requested from the PWD before accepting charges.**

<sup>12</sup> CPO Semesa Vakacabeqoli

- **The Department should ensure that records pertaining to capital projects are properly maintained.**

### **Management Comments**

*The FPCS fully agrees with the observation that there should be proper monitoring of the prisons project.*

*The FPCS engaged the PWD to carry out its work and obviously there were some factors for the delay ranging from poor planning, lack of coordination, lack of push by the PWD which are clearly factors outside the control of the FPCS.*

*We were equally frustrated by the delay and general lack of progress and these had been highlighted to the Minister of Works and Energy. See Appendix C.*

*We believe that it is not only the FPCS which has had bad experience with the PWD but other agencies in government would testify to the deteriorating quality of service that the PWD provides.*

*All the projects highlighted above spilled over to 2010 and the Department had re-directed funds to meet the unfinished work in question for obvious reason. It is expected that the projects should be completed by the end of August 2010.*

*In 2009, the FPCS appointed a Project Officer who is being tasked to plan, implement, monitor and certify the work on site before clearance for payment by the Accounts Officer. Another key function of the position will be to prepare a Master Plan for the entire prison complex.*

*As a result of poor monitoring the FPCS has suffered by having to foot the bills of unfinished work from its 2009 Capital Projects Programme thereby depriving some projects earmarked for 2010.*

**Appendix 16.1: Statement of Output Costs for 2009****Portfolio Leadership, Policy Advice and Secretarial Support**

Description	2008 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	1,748,850	1,708,397
Travel & Communication	74,715	63,535
Maintenance & Operations	659,959	715,604
Purchase of Goods & Services	47,494	41,524
Operating Grants & Transfers	-	1,000
Special Expenditure	374,229	
<b>Total Operating Costs</b>	<b>2,905,247</b>	<b>2,682,548</b>
Value Added Tax	144,550	121,926
<b>TOTAL EXPENDITURE</b>	<b>3,049,797</b>	<b>2,804,474</b>

**Detention Services**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	4,197,239	3,977,162
Unestablished Staff	311,792	186,614
Travel & Communication	173,204	189,828
Maintenance & Operations	154,276	170,836
Purchase of Goods & Services	1,456,478	1,447,610
Special Expenditure	90,052	4,966
<b>Total Operating Costs</b>	<b>6,383,041</b>	<b>5,977,016</b>
<b>Capital Costs</b>		
Construction	1,356,216	512,695
Purchases	163,773	32,084
<b>Total Capital Costs</b>	<b>1,519,989</b>	<b>544,779</b>
Value Added Tax	330,639	294,909
<b>TOTAL EXPENDITURE</b>	<b>8,233,669</b>	<b>6,816,704</b>

**Detention Services - Welfare**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	1,836,292	1,799,052
Unestablished Staff	153,569	93,307
Travel & Communication	44,150	44,500
Maintenance & Operations	25,713	31,074
Purchase of Goods & Services	15,831	5,863

Description	2009 \$	2008 \$
Operating Grants & Transfers	11,968	14,143
<b>Total Operating Costs</b>	<b>2,087,523</b>	<b>1,987,939</b>
<b>Capital Costs</b>		
Construction	568,474	227,716
<b>Total Capital Costs</b>	<b>568,474</b>	<b>227,716</b>
	-	
<b>Value Added Tax</b>	<b>83,267</b>	<b>40,412</b>
<b>TOTAL EXPENDITURE</b>	<b>2,739,264</b>	<b>2,256,067</b>

#### Education & Training – Detainees rehabilitation and Skills Development

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	961,867	899,787
Travel & Communication	47,546	51,164
Maintenance & Operations	17,142	15,537
Purchase of Goods & Services	63,325	55,624
Special Expenditure	216,135	119,109
<b>Total Operating Costs</b>	<b>1,306,015</b>	<b>1,141,221</b>
<b>Value Added Tax</b>	<b>43,019</b>	<b>30,179</b>
<b>TOTAL EXPENDITURE</b>	<b>1,349,034</b>	<b>1,171,400</b>



## Section 17 **Fiji Police Force**

### **Role and Responsibilities**

In accordance with the statutory obligations and the community expectations, the Fiji Police Force is to be employed in and throughout Fiji for the maintenance of law and order, the preservation of peace, the protection of life and property and the detection of crime and the enforcement of all laws and regulations with which it is directly charged.

The Fiji Police Force is divided into six branches and these are the Special Branch, Criminal Investigation, Traffic & Transport, Training, General Uniform and Office of the Commissioner and Headquarters which manage and perform functions relative to the nature.

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## PART 1: FINANCIAL STATEMENTS

### 17.1 Audit Opinion

The audit of the 2009 accounts of the Fiji Police Force resulted in the issue of a qualified audit report.

The qualifications are as follows.

- The financial statements were not presented in accordance with the Financial Management Act. The Fiji Police Force has not provided a Statement of Losses for audit contrary to section 82 (1) of the Finance Instructions 2005; and
- Established and Unestablished Staff is overstated by \$678,642, which resulted from overpayments of superannuation contributions to the Fiji National Provident Fund in 2009.

### 17.2 Statement of Receipts and Expenditure

The Force collected revenue totalling \$742,086 and incurred a total expenditure of \$85,782,685 in 2009.

**Table 17.1: Statement of Receipts and Expenditure for 2009**

Description	2009 \$	2008 \$
<b>RECEIPTS</b>		
Police Clearance Fees	623,254	646,668
Licenses Fees	45,754	43,575
Other State Revenue	55,100	(131,591)
Other Agency Revenue	17,978	1,844,028
<b>TOTAL REVENUE</b>	<b>742,086</b>	<b>2,402,680</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	65,857,555	62,367,530
Unestablished Staff	1,578,012	683,447
Travel & Communication	3,764,118	3,559,246
Maintenance & Operations	4,800,070	6,177,814
Purchase of Goods & Services	3,232,542	2,064,126
Operating Grants & Transfers	80,000	19,999
Special Expenditure	734,025	827,603
<b>Total Operating Expenditure</b>	<b>80,046,322</b>	<b>75,699,765</b>
<b>Capital Expenditure</b>		
Capital Construction	1,250,000	804,008
Capital Purchases	2,606,902	2,368,637
<b>Total Capital Expenditure</b>	<b>3,856,902</b>	<b>3,172,645</b>
Value Added Tax	1,879,461	1,900,062
<b>TOTAL EXPENDITURE</b>	<b>85,782,685</b>	<b>80,772,472</b>

Revenue decreased by \$1,660,594 or 69% in 2009 due to decline in issuing of police clearances, decrease in renewing of arms license, repossessing of firearms and decrease in miscellaneous revenue.

Total expenditure increased by \$5,010,213 or 6% compared to 2008 as a result of the following:

- The inclusion of 450 officers in the PLO8 Grade for which budget was not provided.
- Increase in recruitments of staffs on contract.
- High cost of fuel.
- Procurement of uniforms for members of the organisation including new recruits and those on overseas deployment.

### 17.3 Statement of Output Costs

The Statement of Output Costs consolidates the 6 outputs prescribed in the Budget Estimates. These are detailed in *Appendix 17.1*.

### 17.4 Appropriation Statement

The Force incurred expenditures totalling \$85,782,685 against the budget of \$76,381,300 resulting in an over-expenditure of \$9,401,385 or 12%.

Details of expenditures against the budget estimates are provided in Table 17.2.

**Table 17.2: Appropriation Statement for 2009**

SEG	Item	Budget Estimate \$	Changes (Note 4) \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
	<b>Operating Expenditure</b>						
1	Established Staff	57,668,100	0	57,668,100	65,857,555	0	(8,189,455)
2	Unestablished Staff	918,000	0	918,000	1,578,012	0	(660,012)
3	Travel & Communication	3,677,600	111,892	3,789,492	3,764,118	0	25,374
4	Maintenance & Operations	4,844,100	43,758	4,887,858	4,800,070	0	87,788
5	Purchase of Goods & Services	2,613,100	(155,650)	2,457,450	3,232,542	0	(775,092)
6	Operating Grants & Transfers	80,000	0	80,000	80,000	0	0
7	Special Expenditure	760,000	0	760,000	734,025	0	25,975
	<b>Total Operating Costs</b>	<b>70,560,900</b>	<b>0</b>	<b>70,560,900</b>	<b>80,046,322</b>	<b>0</b>	<b>(9,485,422)</b>
	<b>Capital Expenditure</b>						
8	Capital Construction	1,250,000	0	1,250,000	1,250,000	0	0
9	Capital Purchases	2,602,000	0	2,602,000	2,606,902		(4,902)
	<b>Total Capital Expenditure</b>	<b>3,852,000</b>	<b>0</b>	<b>3,852,000</b>	<b>3,856,902</b>	<b>0</b>	<b>(4,902)</b>
13	Value Added Tax	1,968,400	0	1,968,400	1,879,461	0	88,939
	<b>TOTAL EXPENDITURE</b>	<b>76,381,300</b>	<b>0</b>	<b>76,381,300</b>	<b>85,782,685</b>	<b>0</b>	<b>(9,401,385)</b>

## PART 2: AUDIT FINDINGS

### 17.5 Agency Financial Statements

Commencing from the 2006 financial year, each annual report must include financial statements which are prepared and signed in accordance with these Instructions, audited by the Auditor –General, and accompanied by the audit opinion by the Auditor - General<sup>1</sup>.

A draft financial statement must be submitted to the Auditor – General by 31 March in the following year, or within such other time as agreed with the Auditor – General.<sup>2</sup>

The Fiji Police Force submitted its Agency Financial Statement for audit on 30/06/2010. The Financial Statements were not prepared in accordance with the requirements of Section 82 of the Finance Instructions 2005. The Force failed to prepare and submit a Statement of Losses for audit.

Non compliance with Finance Instructions in the preparation of the financial statements has restricted the scope of the audit and will be included in the audit report as qualifications.

#### Recommendation

**The Force should ensure that the requirements of the Finance Instructions are followed in the preparation of the Agency Financial Statements.**

#### Management Comments

*The Force will surely rectify this in 2010 and ensure that it fully complies with the requirements stated in the Financial Instructions.*

### 17.6 FNPF Reconciliations

Every employer shall pay to the fund in respect of each of his employees, in every month during which such employee is employed by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.<sup>3</sup>

A reconciliation of superannuation contributions paid to the Fiji National Provident Fund (FNPF) and amounts posted to the general ledger (FMIS) revealed variance of \$189,445.16. Refer to Table 17.3 for details.

**Table 17.3: FNPF Reconciliation**

Details	Balances (\$)
Contributions as per Payment Vouchers	5,191,852.48
General Ledger (FMIS)	5,002,407.32
<b>Variance</b>	<b>189,445.16</b>

<sup>1</sup> Finance Instructions 2005, s.81(2)

<sup>2</sup> Finance Instructions 2005, s.81(3)

<sup>3</sup> Chapter 219 – Fiji National Provident Fund – Section 13 (1)

Furthermore, an analysis of the FPNF Contribution Schedules against payment vouchers revealed that the Force had overpaid superannuation contributions totalling \$1,357,284.24 to the FPNF. Refer to Table 17.4 for further details.

**Table 17.4: Details of Variance between FPNF Schedule and Payment Voucher**

Payment Vouchers			FPNF Schedule	Variance	
Date	Cheque No.	Amount \$	Particulars	Amount \$	\$
30/01/09	646265	836,462.24	FPNF contribution for of Dec 08 due on 30/01/09	835,870.62	591.62
25/02/09	647108	814,837.44	FPNF contribution for Jan 09 due on 28/02/09	814,837.44	-
18/03/09	647806	719,107.20	FPNF contribution Feb 09 due on 31/03/09	719,107.20	-
24/04/09	649000	722,308.32	FPNF contribution for March 09 due on 30/04/09	722,308.32	-
29/04/09	649142	1,363.04	Short payment of FPNF contribution for Feb 09 due on 31/03/09	1,363.04	-
28/05/09	650238	1,003,552.80	FPNF contribution for April 09 due on 31/05/09	1,003,552.80	-
30/06/09	651420	722,083.84	FPNF contribution for May 09 due on 30/06/09	722,083.84	-
01/07/09	651454	3,564.56	FPNF contribution for Samuela Nabarakia (FPNF 0524351) from 1998-2009	3,564.56	-
31/07/09	652615	928,052.32	FPNF contribution for June 09 due on 31/07/09	750,283.28	177,769.04
31/08/09	653703	618,123.44	FPNF contribution for July 09 due on 31/08/09	800,184.84	(182,061.40)
01/10/09	654720	730,010.08	FPNF contribution for August 09 due on 30/09/09	733,904.56	(3,894.48)
30/10/09	655599	760,471.36	FPNF contribution for Sept 09 due on 31/10/09	760,471.16	0.20
30/12/09	656702	2,523,768.32	FPNF contribution for Oct 09 due on 30/11/09	1,045,330.92	1,478,437.40
26/01/10	658465	759,206.24	FPNF contribution for Nov 09 due on 31/12/09	759,760.14	(553.90)
29/01/10	658546	828,260.40	FPNF contribution for Dec 09 due on 31/01/10	941,264.64	(113,004.24)
<b>Total</b>					<b>1,357,284.24</b>

The overpayments could have been avoided had the Force Accountant been more vigilant in the checking of reconciliations and records.

### **Recommendations**

- **Supervisory checks in the Accounts Section should be improved to ensure that the general ledger and other related records are correct.**
- **Regular reconciliations should be carried out to ensure that superannuation contributions paid to the FPNF are correct.**
- **The Force should liaise with the FPNF to rectify the overpayments of superannuation contributions for 2009.**

**Management Comments**

The variance of \$189,445.16 indicated the FNPF contributions have been overpaid to FNPF. The FNPF contributions for the month of February and March were paid from the \$1,357,284.24 that was overpaid to FNPF for the month of December 2009, (November contribution paid in December). However this overpayment has been utilized to cover contributions in the year 2010.

We have put measures to curb this problem where all correspondences with FNPF are to be signed by the Force Accountant. The Accounts team is in continuous meeting with FNPF and we have rectified this problem in March 2010 where both the CS report and cheque paid tallied.

**17.7 Over-Expenditure**

Each year the Appropriation Act and the Budget Estimates set out details of the appropriations that Cabinet approves for spending by each agency. No officer may incur expenditure which results in the agency's appropriation being exceeded without the proper authorization of the Ministry of Finance, pending approval by Cabinet.<sup>4</sup>

The Force had incurred over-expenditures totalling \$9,401,384.79 in 2009 and failed to seek necessary approval from the Ministry of Finance to regularise the over-expenditures. Refer to Table 17.5 for details.

**Table 17.5: Variance in Operating and Capital Provisions/Allocations**

SEG	Revised Estimate \$	Actual Expenditures \$	Variations \$	Remarks
1 – Established Staff	57,668,100.00	65,857,554.96	(8,189,454.96)	Over-expenditure
2 – Unestablished Staff	918,000.00	1,578,011.83	(660,011.83)	Over-expenditure
3 – Travel & Communications	3,789,492.00	3,764,117.85	25,374.15	Savings
4 – Maintenance & Operations	4,887,858.00	4,800,070.94	87,787.06	Savings
5 – Purchase of Goods & Services	2,457,450.00	3,232,541.67	(775,091.67)	Over-expenditure
6 – Operating Grants & Transfers	80,000.00	80,000.00	0.00	Savings
7 – Special Expenditures	760,000.00	734,024.93	25,975.07	Savings
<b>Total Operating Expenditure</b>	<b>70,560,900.00</b>	<b>80,046,322.18</b>	<b>(9,485,422.18)</b>	<b>Over-expenditure</b>
8 – Capital Construction	1,250,000.00	1,250,000.00	0.00	Savings
9 – Capital Purchase	2,602,000.00	2,606,901.70	(4,901.70)	Over-expenditure
<b>Total Capital Expenditure</b>	<b>3,852,000.00</b>	<b>3,856,901.70</b>	<b>(4,901.70)</b>	<b>Over-expenditure</b>
13 - Value Added Tax	1,968,400.00	1,879,460.91	88,939.09	Savings
<b>Total Expenditure</b>	<b>76,381,300.00</b>	<b>85,782,684.79</b>	<b>(9,401,384.79)</b>	<b>Over-expenditure</b>

Our review of the Payroll records revealed that the Force had exceeded its approved staff establishment by 246 personnel. Refer to Table 17.6 for details.

**Table 17.6: Approved vs Actual Employed**

	Budgeted Establishments	Actual Establishments	Excess Establishment
Established 2009	2,627	2,683	56
Unestablished 2009	60	250	190

<sup>4</sup> Finance Instructions s.8  
Fiji Police Force

The personal emolument budgetary allocation of the Force was overspent in 2009 by \$8,849,467 or 16%.

Failures to abide to financial instructions and the recruitment of officers in excess of the approved establishment have resulted in the over-expenditures.

### **Recommendations**

- **It is recommended that the management of the Force take active roles in ensuring that it operates within the approved budget.**
- **Expenditures should be reviewed against the budgetary allocation on a monthly basis and reported to management for effective and efficient decision-making.**
- **It is recommended that the Force seek the approval of the Ministry of Finance for availability of funds before recruiting additional officers or incurring other additional expenditures.**

### **Management Comments**

*SEG 1: - The over expenditure was due to the 450 PLO8 officers being approved by PSC and budgeted. It has been cause of over expenditure for sometimes to FPF. This year 2010, salaries of the concerned officers have been alienated.*

*SEG 2: - Being payment of contracted offices which were enlisted for strengthening specialized capacity building areas. Measures are put in place in 2010 so that we spend according to budgeted strength and allocations.*

*SEG 5: - It is obvious that over expenditure is coupled on this allocation where limitation restricted by cash flow provisions. Apart from the \$6m extra budgetary allocation from Ministry of Finance there were other pending payments where it was necessary to post to our purchase allocation in order to reflect a fairer picture of our financial status.*

*SEG 9: - Given the limited funds budgeted for Capital Purchase, the FMIS system does not allow such over expenditure. This are indent that are posted from Government Supplies, it is recommended that Government Supplies fast track their posting to IDC so that we may save sufficient funds to cater for this.*

## **17.8 Variance in the Drawings Accounts**

A bank account for public money, other money or trust money must only be established with the approval of the Chief Accountant, who shall inform the bank of the agency officers authorised to operate on it.<sup>5</sup>

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer<sup>6</sup>.

The closing balance of the Department's Drawings Account reconciliation as at 31 December 2009 was \$5,643,827.13 did not reconcile with the general ledger (FMIS) and Appendix 3 of the Accounts and Finance. Refer to Table 17.7 for details:

**Table 17.7: Details of Variance between Department's Record and Appendix/General Ledger**

<b>Particulars</b>	<b>Department's Record (\$)</b>	<b>Appendix/General Ledger (\$)</b>	<b>Variance (\$)</b>
Drawings Opening Balance	2,791,650.23	8,477,569.75	5,685,919.52

<sup>5</sup> Finance Instructions 2005 – 39 (1)

<sup>6</sup> Finance Instructions 2005 – 39 (5)

Particulars	Department's Record (\$)	Appendix/General Ledger (\$)	Variance (\$)
Drawings Closing Balance	5,643,827.13	5,554,381.48	(89,445.65)

The above variances indicate that monthly reconciliations have not been adequately checked by the Force Accountant.

### **Recommendations**

- **The Force should ensure that monthly Drawings Account reconciliations are prepared in a timely manner and any errors detected are adjusted immediately.**
- **Supervisory checks should be improved.**
- **The variances noted should be rectified in consultation with Ministry of Finance.**

### **Management Comments**

*The Force is trying its best to balance its Drawings Account reconciliation. It has identified a figure which is the error that has been carried forward from previous years. The \$89,445.65 was rectified in our 2010 Budget.*

## **17.9 Operating Trust Fund Account**

Each month, the trust account shall be balanced and reconciled with the trust bank account. The names and balances of each account shall be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items should be investigated and resolved promptly<sup>7</sup>.

The opening balance of the Operating Trust Fund Account did not agree with the Appendix 23 of the Accounts and Finance. Refer to Table 17.8 for details.

**Table 17.8: Details of Variance between Department's Record and Appendix/General Ledger**

Particulars	Department \$	Appendix/GL \$	Variance \$
Trust Fund Account - Opening Balance	0	2,330,079.33	2,330,079.33

In addition, there is also an unexplained debit (overdrawn) balance of \$111,276.50 reflected as Miscellaneous Fund under account *Allocation: 1-20101-20101-899988*.

Monthly reconciliations prepared by the Accounts Section maybe incorrect.

### **Recommendation**

**The Force should liaise with the Ministry of Finance for necessary adjustments to correct the reconciliation.**

### **Management Comments**

*The Trust opening balance for 2009 was \$2,308,296.75 and this has been rectified through the compilation of another January Reconciliation. The Miscellaneous Fund is used for paying the Force Contribution and CP'S Commendation. Measures are out in place to ensure that we revert this account back to Credit. Currently the account has been deactivated and awaiting budgetary savings for this year to breakeven the figure.*

<sup>7</sup> Finance Instruction 2005 s.69 (3)

## 17.10 Revolving Fund Account

A ledger shall be maintained for advances and revolving fund accounts<sup>8</sup>. Within 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Supervisor shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement<sup>9</sup>.

The opening and closing balances of the Revolving Fund Account – Miscellaneous did not reconcile with General Ledger (FMIS) balances and Appendix 19 of the Accounts and Finance. Refer to Table 17.9 for details.

**Table 17.9: Variance between the Department's Record and Appendix/General Ledger**

Particulars	Department \$	Appendix/GL \$	Variance \$
Opening Balance	528,263.46	501,506.13	(26,757.33)
Closing Balance	606,342.89	716,846.49	110,503.60

In addition, *Allocation: 1-20101-20999-840602* had been excluded from the monthly Revolving Fund Account reconciliations, which is a contributing factor to the variances between the Department's reconciliation balances and the general ledger (FMIS).

The above anomalies imply that the monthly Revolving Fund reconciliations may not have been thoroughly scrutinised and checked.

### Recommendation

**The Force should ensure that the monthly reconciliation is prepared in accordance to the requirement of the Finance Manual and are thoroughly checked by the Force Accountant.**

### Management Comments

*We have been submitting the RFA Reconciliation statements to FMIS on monthly basis and we have not been informed by the Department's desk officer that our reconciliation does not reconcile with the GL or its off by \$110,503.60 as shown in the table. Allocation 1-20101-20999-840602 will be included in the 2010 reconciliation statement.*

## 17.11 VAT Reconciliations

Subject to the provision of the VAT Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>10</sup>

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.<sup>11</sup>

<sup>8</sup> Finance Manual 2005 16.3.1

<sup>9</sup> Finance Manual 2005 16.3.3

<sup>10</sup> Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

<sup>11</sup> Finance Circular No 9/95

A review of the VAT Returns, supporting documents and reconciliations carried out during the audit revealed variances between the taxable supplies in the VAT Returns and the total income/expenditure in the Statement of Receipts and Expenditure. Refer below for details.

OUTPUT		\$
Total Income/Expenditure as per Expenditure Statement		85,782,684.79
Less Expenditure not subject to VAT		
SEG 1	65,857,554.96	
SEG 2	1,578,011.83	
SEG 6	80,000.00	67,515,566.79
Total Expenditure Subject to VAT		18,267,118.00
Total Expenditure as per VAT Returns		28,331,048.09
<b>Variance</b>		<b>(10,063,930.09)</b>

INPUT		\$
VAT Payment (VAT Payment to FIRCA and VAT Input) as per the Expenditure Statement		1,879,460.91
VAT Payment (VAT Payment to FIRCA and VAT Input as per VAT Return)		3,541,150.93
<b>Variance</b>		<b>(1,661,690.02)</b>

Failure to prepare regular VAT reconciliations has resulted in the unexplained variances.

**Recommendation**

**Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the general ledger.**

**Management Comments**

*The calculation of VAT Return was based on the figures that are reflected on the commitment column and almost every month we are having a negative figure and hardly have we made any payments to Commissioner of Inland Revenue. There is a need to reconcile for 2009 Vat Return. We are currently liaising with FIRCA on this issue and staffs have undergone training to ensure that we resolve this issue.*

**17.12 Overpayment of Salaries – Resignation and Dismissal**

Acting allowances will be payable at the rates specified in General Order provision 465 and 466 from the date of commencement of the acting appointment to the date of termination thereof (both dates inclusive), except for any days in excess of fifteen consecutive days of absence from duty.<sup>12</sup>

Salary advices must be submitted promptly to the Ministry of Finance where there is any change to personal emoluments or deductions dismissal, resignations and retirement.<sup>13</sup>

Some officers continued to receive salaries after the effective dates of their resignations, dismissals or directives to stop payment of salaries. Refer to Table 17.10 for examples.

<sup>12</sup> General Order 1993, s.464

<sup>13</sup> 2005 Finance Instructions 26 (1)

**Table 17.10: Overpayment of Salaries**

EDP No.	Name of Officer	Overpaid Salaries (\$)	Remarks
<b>Overpayment of Acting Allowance</b>			
51021	Ashok Kumar	647.00	The officer's acting appointment ceased with effect from 13/10/09 but he continued to receive acting allowance as at Pay 23 dated 12/11/09.
76231	Ashika Singh	126.00	The officer's acting appointment ceased with effect from 20/07/09 but she continued to receive acting allowance as at Pay 16 dated 06/08/09.
<b>Overpayment on Dismissal</b>			
51228	Viliame Uluirewa	687.00	The officer was dismissed with effect from 10/8/09 but continued to be paid for the period 13/8/09 - 26/8/09.
53236	Pranesh Kant	982.68	The officer was dismissed with effect from 11/12/08, and his salary was ceased accordingly from Pay 21. However his salary was again reactivated from Pay 1 of 2009.
51339	Marika M	1,244.96	The Officer was terminated from duties with effect from 09/04/09 and was paid until Pay 13/09 for the period 18/06/09 - 01/07/09.
52426	Ilimotama W	815.59 + 3,680.30	The officer was dismissed with effect from 27/11/08 (FRO 47/08), however was paid until Pay 25 for the period 03/12/09-16/12/09. The officer was also charged (forfeiture) of \$3,840.30 as per FRO 42/05. The balance of \$3,680.30 was still owed by the officer upon his dismissal and there was no evidence to indicate that this sum was recovered from the officer.
76181	Ashnil Kumar	356.00	The officer was dismissed with effect from 13/08/09 but continued to receive his pay until Pay 17 dated 20/8/09 for the period 13/8/9-26/8/09.
<b>Overpayment despite salary stoppage being published in the FRO</b>			
52175	Ajay Kumar	518.00	Salary was to be stopped with effect from 15/08/09 but the Officer was paid on Pay 17 dated 20/8/09 for period 13/8/09-26/8/09.
76889	Elifasa Uili	252.00	Salary was to be stopped with effect from 18/08/09 but the Officer was paid on Pay 17 dated 20/8/09 for period 13/8/09-26/8/09.
76018	Amani Satuwere	516.00	Salary was to be stopped with effect from 5/9/09 but the Officer was paid on Pay 18 dated 3/9/09 for period 27/8/09-9/9/09. Furthermore, the Officer was paid on Pay 19 dated 17/9/09 for period 10/9/09 - 23/9/09.
<b>Overpayment - Resignations</b>			
50881	Nemani M	1,588.29	The officer resigned with effect from 31/01/09 but was paid until Pay 4/09
51061	Pravir P	515.79	The officer resigned with effect from 16/02/09 but was paid until 25/02/09
50651	Emani T	1,291.12	The officer resigned with effect from 17/04/09 and was paid until Pay 9/09.
52715	Semesa N	828.66	The officer resigned with effect from 04/04/09 and was paid until Pay 8/09.
51173	Jamesa L	1,002.45	The officer resigned with effect from 10/02/09 and paid until Pay 4/09.

Similar issues were highlighted in previous years' 'Report of the Auditor General' which implied that the Department had not effectively implemented strategies to minimise or avoid overpayments of salaries.

**Recommendations**

- **The Force should implement strategies not only to minimise or avoid salary overpayments but ensure early detection of salary overpayments.**
- **The Force should make concerted efforts to recover all outstanding salary overpayments including those previously highlighted in Audit Reports.**
- **The Officer(s) responsible for overpayments should be cautioned and supervisory checks in the Accounts Section should be improved.**

**Management Comments**

*There were some flaws in the system where correspondences for termination/dismissal/resignation were dispatched late to the salaries section for updating of payroll. Strategies put in place after consulting HRM was to see that letters for termination etc to be dispatched directly to the salaries section for immediate and to avoid overpayments in future.*

**17.13 Overpayment of Allowances**

As soon as any police officer ceases to be eligible for an allowance which he is being paid, such fact will be reported by his superior officer through normal channels to Police HQ for cancellation of the allowance.<sup>14</sup>

Some officers were paid allowances that they were not entitled resulting in overpayments of allowances. Refer to Table 17.11 for details.

**Table 17.11: Overpayment of Allowances**

EDP No.	Name of Officer	Overpaid as at 14/11/09 \$	Remarks
50938	SGT Shyam Sharma	1,645.63	Kerosene and lodging allowances were to cease effective 26/07/09.
50913	SGT Subhan Ali	1,525.75	Kerosene and lodging allowances were to cease effective 26/07/09.
52004	Isikeli Matanisiga	2,484.75	The Officers Pay record on 17/09/09 showed an overpayment recovery of \$2,484.75 with a deduction of \$109.15 fortnightly effective from Pay 18/09. However, no recovery was made from the Officer's salary.
52208	Sakeo R	2,179.49	The Officer went on study leave with pay from 19/02/09 - 19/02/10. The Officer continued to receive Extra Duty allowance and CID allowance resulting in the overpayment.
50598	Alipate V	866.22	The officer went on study leave with pay from 23/02/09 - 05/07/09. The officer continued to receive Extra Duty allowance and Plain Clothes allowance resulting in the overpayment.

Similar issues were highlighted in previous years' audit reports which implied that the Department had not effectively formulated and implemented strategies to minimise or avoid overpayments of allowances.

**Recommendations**

- **The internal control procedures in the Payroll Section should be strengthened to avoid such overpayments in future.**
- **Overpaid allowances should be recovered without delay.**

<sup>14</sup> Force Standing Order 56 (3)

**Management Comments**

*Recurrence of the above has prompted us to appoint a FRO Clerk whose priority is to take note of all payroll items in the most recent FRO and action them immediately to remedy the situation.*

*Continuous monitoring of the flow process takes place every now and again to ensure no overpayment of allowances/salary is made.*

**17.14 Officers Paid Allowances While on Annual Leave - Overseas**

No allowances will be paid to any officer whilst he is on vocation leave or during any period of absence without leave in excess of 24 hours.<sup>15</sup>

As soon as any officer ceases to be eligible for an allowance which he is being paid, such fact will be reported by his superior officer through normal channels to Police Head Quarters for cancellation of the allowance.<sup>16</sup>

Some Officers whilst on annual leave overseas continued to receive allowances which they were not entitled. Refer to Table 17.12 for details.

**Table 17.12: Allowances Paid While on Annual Leave Overseas**

EDP No.	Name of Officer	Overpaid Amount as at 18/11/09 \$	Remarks
50943	SGT Tevita R	153.71	The officer went on Annual Leave - Overseas wef 26/06/09 - 09/07/09 and continued to receive Extra Duty allowance resulting in overpayment.
52297	W/SGT Helen S	41.95	The Officer went on Annual Leave – Overseas wef 09/07/09 – 31/07/09 and continued to receive Extra Duty allowance resulting in overpayment.
50224	SGT Liqorio W	40.46	The Officer went on Annual Leave wef 26/03/09 – 02/04/09 Overseas and continued to receive Extra Duty allowance resulting in overpayment.
50792	SGT Mohammed S	699.24	The Officer went on Annual Leave - Overseas wef 14/04/09 – 13/07/09 and continued to receive Extra Duty allowance and Detective allowance resulting in overpayment.
50059	CPL Anzar B	810.48	The Officer went on Annual Leave – Overseas wef 01/04/09 – 06/07/09 and continued to receive Extra Duty allowance, Plain Clothes Allowance and Detective Allowance resulting in overpayment.
76099	PC Shan Ali	100.65	The Officer went on Annual Leave – Overseas wef 15/03/09 – 09/04/09 and continued to receive Extra Duty allowance resulting in overpayment.
50934	SGT Shaukat Ali	288.51	The Officer went on Annual Leave - Overseas wef 04/03/09 – 09/04/09 and continued to receive Extra Duty allowance, Plain Clothes Allowance resulting in overpayment.
51405	SGT Sada Nand	523.33	The Officer went on Annual Leave – Overseas wef 16/02/09 – 14/05/09 and continued to receive Extra Duty allowance resulting in overpayment.
52795	SGT Luke R	529.15	The Officer went on Annual Leave – Overseas wef 23/03/09 – 19/06/09 and continued to receive Extra Duty allowance resulting in overpayment.

<sup>15</sup> Force Standing Order 56 (4)

<sup>16</sup> Force Standing Order 56 (8)

EDP No.	Name of Officer	Overpaid Amount as at 18/11/09 \$	Remarks
52556	CPL Usaia C	171.99	The Officer went on Annual Leave – Overseas wef 20/01/09 – 03/03/09 and continued to receive Extra Duty allowance resulting in overpayment.

Payments of allowances on vocation leave are a breach of the Force Standing Order.

### **Recommendation**

**Recovery of the overpaid allowances through direct salary deductions should commence immediately from those that have yet to refund the overpaid allowances.**

### **Management Comments**

*Recurrence of the above has prompted us to appoint a FRO Clerk whose priority is to take note of all payroll items in the most recent FRO and action them immediately to remedy the situation.*

*Continuous monitoring of the flow process takes place every now and again to ensure no overpayment of allowances/salary is made.*

## **17.15 Breaches of Procurement Procedures**

The Chief Executive Officer must obtain at least 3 written competitive quotes for any procurement of goods, services or works that cost more than \$100 but less than \$20,000.<sup>17</sup>

A local purchase order (LPO), indent, departmental warrant, contract or agreement must be issued before goods, services and works are received.<sup>18</sup> The Officer authorising a purchase order must ensure that a purchase is not artificially split to bring it within limits.<sup>19</sup> Any officer who authorises expenditure exceeding his/her procurement limit, including by splitting purchase orders, shall be liable for surcharge to repay the unauthorised amount.<sup>20</sup>

The Department breached Government's procurement procedures by failing to obtain three competitive quotations and/or issue LPO for purchases made in 2009. Refer to Tables 17.13 and 17.14 for examples.

**Table 17.13: Competitive Quotes not Obtained**

Date	Cheque No.	Vendor	Particulars	Amount (\$)
16/10/2009	655075	Niu Cartoons	Payment for the supply of colored banners for crusade.	2,010.00
13/05/2009	649666	Compac	Payment of account for the purchase of Motorola Base RT for communication.	17,141.00
20/03/2009	647965	Boulevard Central Pharmacy	Payment for vaccination for Dafur contingent.	4,006.20
20/03/2009	655335	Time Electricity Company	Payment of account for wiring of sheds used for Road Show in western region.	1,500.00
14/07/2009	651985	R C Manubhai	Payment for building materials for Koro Police Post.	59,620

<sup>17</sup> Section 12 (1) – Finance Instructions 2005

<sup>18</sup> Finance Instruction 2005 Section 17 (2)

<sup>19</sup> Finance Manual 2005 Section 2.2.2

<sup>20</sup> Finance Manual 2005 Section 2.2.3

Date	Cheque No.	Vendor	Particulars	Amount (\$)
7/08/2009	652869	Golden Dragon Music Shop	Payment of account for the purchase of microphone.	4,560.00
7/05/2009	649450	Compac	Payment for electronic door for NCOC-ITO/ CIP.	4,800.00
27/10/2009	655447	Asco Motors	Payment of account for the repair works on GN 793.	3,000.00
16/10/2009	655065	Fiji Ships & Heavy Industries	Payment for repair work on Police Boat – Veiqaravi.	3,310.22
6/07/2009	651648	Sharma Music Centre	Payment of account for the project bracket for WD OPS officer.	1,785.00
6/07/2009	651660	Kanvan Papers	Payment for purchase of photocopy paper.	4,740.00
23/11/2009	656437	Northern Air Services	Hire of flight to Taveuni for the post-mortem of a deceased namely Thaddena Kuczyski.	6,656.00
23/11/2009	656439	Quality Print	Payment for purchase of stickers for Hibiscus Media Cell.	520.00

Table 17.14: LPO not Issued

Date	Payee	PV No.	Amount (\$)	Particulars
20/03/2009	Boulevard Central Pharmacy	647965	4,006.20	Payment for vaccination for Dafu contingent.
17/10/2009	Holiday Inn	655718	3,681.99	Billed for Mr Paul Johnson's stay for two weeks.
20/10/2009	Time Electrical Company	655335	1,500.00	Payment of account for wiring of sheds used for Road Show in western region.
27/10/2009	Tappoo Limited	655479	2,184.00	Payment for 28 pair boots- Sukuna Bowl.
22/10/2009	Fiji Sports Council	655242	2,350.00	Payment of account for the hire of Vodafone arena for the Sukuna Bowl Church Service.
16/10/2009	Elonoa Tokawautawa	655064	660.00	For supply of morning tea and lunch for HRM at FPA.
16/10/2009	Fiji Ships & Heavy Industries	655065	3,310.00	Payment for repair work on Police Boat –Veiqaravi.
4/08/2009	Defence Logistics	652725	15,806.25	Payment for camera tie, camera, ear phone with receiver, audio transmitter, audio receiver, ID cards and button camera.
28/09/2009	Consort Shipping	654595	2,200.00	Payment for sea freight tp koro project.
8/10/2009	Total Fiji	654715	34,875.00	Payment for fuel- Nasese.
23/11/2009	Northern Air Services	656437	6,656.00	Hire of flight to Taveuni for the post-mortem examination.
23/11/2009	Quality Print	656439	520.00	Payment for purchase of stickers for Hibiscus Media Cell.

Breaching Government's established procurement procedures not only increases the risk of fraud and misappropriation of public funds but also contributes to spending in excess of the budgetary allocation.

### Recommendations

- The Force should ensure that Government procurement procedures as stated in the Finance Instructions are complied with when purchasing goods and services.
- Appropriate disciplinary actions should be taken against Officers that continuously ignore provisions of the Finance Instructions when purchasing goods and services.

### Management Comments

*The Force is putting in place measures through continuous consultations with all Divisional RPCs and units within the Headquarters to ensure that LPOs are issued before goods and services are delivered. There is also*

*need to note that there are certain vendors which the Fiji Police Force regularly deal with, do not accept our LPO's and are reluctant to issue Proforma Invoices.*

### **17.16 Funds Withdrawn in Excess of \$30,000**

The daily ceiling of \$20,000 that was imposed on each Ministry and Department on the amount of funds withdrawn from each drawings account is increased to \$30,000. Drawings of daily amounts in excess of \$30,000 must be referred to the Ministry of Finance for the Chief Accountant's approval. The Commercial banks will be advised accordingly not to honour any cheques in excess of \$30,000 which does not carry the approval of the Chief Accountant.<sup>21</sup>

The Force made various payments exceeding the specified limits and failed to seek approval from the Ministry of Finance as required. Refer to Table 17.15 for examples.

**Table 17.15: Payments without Approval from the Ministry of Finance**

<b>Date of Payment</b>	<b>Cheque No</b>	<b>Amount \$</b>	<b>Particulars</b>
06/08/2009	652845	81,481.25	Payment for purchase of fully lined black breasted Jacket with Fiji Police Badges.
20/07/2009	652191	310,500.00	Payment for purchase of black leather sandals and boots for stores.
05/06/2009	6503535	39,500.00	Payment for safety boots for stores.
20/04/2009	648798	321,080.00	Payment for purchase of boots and sandals for Police stores.
25/09/2009	654569	40,000.00	Payment for the purchase of ladies skirts.

Financial management control measures by the Ministry of Finance are implemented for prudent control of public finances and government funds. Failing to comply with such directives increases the risk of mismanagement of public funds.

#### **Recommendations**

- **The Force should ensure that directives given by the Ministry of Finance to control government expenditures are complied with.**
- **Appropriate disciplinary actions should be taken against officers who fail to comply.**

#### **Management Comments**

*Approval had been obtained on purchases/services above \$30,000 in the year 2009 but strict measures have been put in place where prior approval must be obtained before a cheque is issued. Banks were also advised not to accept any cheque payment above \$30,000 without the MOF approval.*

#### **Additional OAG Comments**

*There were no evidences provided to support the Department's comments that the Ministry of Finance had approved the above payments.*

### **17.17 Follow-Up - Negligence Payments**

The Office of the Solicitor General was responsible to meet all payment arising out of claims against the state for negligent practices by Civil Servants until the end of 1997. Under the Civil Act, the Commissioner of Police is liable for the actions of his men.

<sup>21</sup> Finance Circular 14/08 dated 19/09/08

Public funds totalling to \$459,424.55 was paid out as litigation costs in 2009. A budget was not provided for such payments and has been reflected under the IDC Account. Refer to Table 17.16 for details.

**Table 17.16: Summary of Negligence Payments**

<b>Case</b>	<b>Details</b>	<b>Amount \$</b>
Riasat v COP	Unlawful detention and arrest by Police Officers at Sigatoka.	15,000
Paula Rokotuiviwa	IP Siveci unlawfully arrested the Plaintiff even before clarification.	21,004
Waisea Kaloumaira	Police Officers in Lakeba unlawfully detained 37 people in the Islands of Yasaga, Moce and Lakeba in Lau.	425,600
Subhash Mani V COP	Police Officers in Labasa assaulted, unlawfully arrested and detained the Plaintiff.	140,900
Vani Rokaika	Vani Rokaika was brought in by Lautoka Police Officers for questioning in relation to case of theft of exhibits from Court House.	15,050
Ronesh Nath V CP	No details provided.	15,000

Substantial negligence claims by members of the public could have been avoided if the Police codes of conduct are strictly followed.

The cost to Government will continue to increase if the Force is impervious to the conducts of its officers.

### **Recommendation**

**To safeguard public funds from waste, the Force must urgently address the issue of unprofessional conduct of Police Officers.**

### **Management Comments**

*A policy is currently in place to thoroughly investigate internally and recover cost on shared basis from those responsible.*

## **17.18 Motor Vehicle Records**

The Deputy Commissioner of Police shall authorise an officer to drive government vehicles under the care of the agency by issuing a letter of authority. The Deputy Commissioner of Police shall notify the Director Traffic of names and designation of all such drivers. The Director Traffic shall keep these authorizations in a file.<sup>22</sup>

A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.<sup>23</sup> The accident report, Police report, Solicitor General's advice and Director Traffic's recommendations will be taken into consideration by the surcharge authority before any surcharge is imposed.<sup>24</sup>

Our audit noted that 43 of the Police Officers involved in road accident were actually at fault and their cases were pending with Ministry of Finance. Refer to *Appendix 17.2* for details.

Relevant records of those authorized to drive were not provided for audit purposes despite numerous requests to the Director Traffic. He explained during the audit that records are still being updated and

<sup>22</sup> Finance Manual-Fiji Police Force section 12.2.1

<sup>23</sup> Fiji Police Force – Finance Manual s12.6.7

<sup>24</sup> Fiji Police Force – Finance Manual s12.6.8

would be provided to the Office of the Auditor General once the updating of records are completed. This did not eventuate.

### **Recommendations**

- **The Director Traffic should update the record of all authorised drivers in the Force.**
- **A copy of the same authorization should be kept in the Drivers' personal files for reference purpose.**
- **Appropriate actions should be taken against Officers found negligent during accidents whilst driving the Force's vehicles.**

### **Management Comments**

*Random check will be conducted on the required record for audit, agreed for a authorised driving copy to be with the PF. Officers surcharged for the actual cost of damages during negligence.*

**APPENDICES****Appendix 17.1: Statement of Output Costs for 2009****Portfolio Leadership and Secretariat Support**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	13,400,929	13,751,097
Unestablished Staff	97,495	41,529
Travel & Communication	403,436	383,467
Maintenance & Operations	543,008	392,781
Purchase of Goods & Services	168,596	167,043
Operating Grants & Transfers	80,000	19,999
Special Expenditure	127,051	183,273
<b>Total Operating Expenditure</b>	<b>14,820,515</b>	<b>14,939,189</b>
<b>Capital Expenditure</b>		
Capital Purchases	2,146,902	2,205,006
<b>Total Capital Expenditure</b>	<b>2,146,902</b>	<b>2,205,006</b>
Value Added Tax	395,770	389,444
<b>TOTAL EXPENDITURE</b>	<b>17,363,187</b>	<b>17,533,639</b>

**Community Policing**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	1,515,287	2,002,071
Special Expenditure	50,000	49,151
<b>Total Operating Expenditure</b>	<b>1,565,287</b>	<b>2,051,222</b>
Value Added Tax	6,300	5,357
<b>TOTAL EXPENDITURE</b>	<b>1,571,587</b>	<b>2,056,579</b>

**Police Operations**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	5,750,768	5,351,064
Unestablished Staff	0	25
Travel & Communication	877,220	858,499
Maintenance & Operations	93,013	79,788
Purchase of Goods & Services	578,527	445,665

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
Special Expenditure	60,000	59,940
<b>Total Operating Expenditure</b>	<b>7,359,528</b>	<b>6,794,981</b>
<b>Capital Costs</b>		
Capital Purchases	260,000	163,631
<b>Total Capital Costs</b>	<b>260,000</b>	<b>163,631</b>
Value Added Tax	238,976	166,516
<b>TOTAL EXPENDITURE</b>	<b>7,858,504</b>	<b>7,125,128</b>

**Criminal Investigation**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	185,112	205,189
Unestablished Staff	22,904	93,938
Travel & Communication	49,111	26,319
Maintenance & Operations	(12)	(1,188)
Purchase of Goods & Services	1,532,200	686,922
Special Expenditure	287,308	324,803
<b>Total Operating Expenditure</b>	<b>2,076,623</b>	<b>1,335,983</b>
<b>Capital Expenditure</b>		
Capital Construction	1,250,000	804,008
<b>Total Capital Expenditure</b>	<b>1,250,000</b>	<b>804,008</b>
Value Added Tax	294,104	256,564
<b>TOTAL EXPENDITURE</b>	<b>3,620,727</b>	<b>2,396,555</b>

**Fiji Police Intelligence Bureau**

<b>Description</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	32,271	76,245
Unestablished Staff	0	7,839
Travel & Communication	121,558	100,808
Maintenance & Operations	85,815	71,866
Purchase of Goods & Services	40,150	22,465
Special Expenditure	140,000	139,999
<b>Total Operating Expenditure</b>	<b>419,794</b>	<b>419,222</b>
Value Added Tax	48,211	25,806
<b>TOTAL EXPENDITURE</b>	<b>468,005</b>	<b>445,028</b>

**Corporate Support Services**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating</b>		
Established Staff	44,973,188	40,981,864
Unestablished Staff	1,457,613	540,116
Travel & Communication	2,312,793	2,190,153
Maintenance & Operations	4,078,246	5,634,567
Purchase of Goods & Services	913,068	742,031
Special Expenditure	69,667	70,437
<b>Total Operating Expenditure</b>	<b>53,804,575</b>	<b>50,159,168</b>
<b>Capital Expenditure</b>		
Capital Construction	200,000	0
<b>Total Capital Expenditure</b>	<b>200,000</b>	<b>0</b>
Value Added Tax	896,100	1,056,375
<b>TOTAL EXPENDITURE</b>	<b>54,900,675</b>	<b>51,215,543</b>

**Appendix 17.2: Accident to Police Vehicles**

Date	Reg No.	Estimated Cost of Repair
18/01/2009	GN 199	150.00
18/01/2009	GN 641	50.00
01/02/2009	GN 740	Yet to be estimated
05/02/2009	GN 756	500.00
10/02/2009	FL 983	20.00
10/02/2009	GN 634	100.00
13/02/2009	GN 468	220.30
14/02/2009	GN 739	440.00
19/02/2009	GN 309	50.00
02/03/09	GN 183	40.00
13/03/2009	GN 211	3,200.00
14/03/2009	GN 551	2,000.00
01/04/2009	FH 737	3,612.00
05/04/2009	GN 469	450.00
21/04/2009	GN 496	28.00
06/05/2009	GN 282	4,500.00
18/05/2009	GN 474	120.00
22/05/2009	Bike No- 190.Z	500.00
10/06/2009	GN 205	540.00
27/06/2009	GN 294	7,663.00
02/07/2009	GN 758	2,713.58
22/07/2009	GN 657	
25/07/2009	GN 343	561.00
17/08/2009	GN 563	1,135.00
21/08/2009	GN 739	1,186.88
22/08/2009	GN 638	Yet to be estimated
05/09/2009	GL 951	30.00
18/09/2009	GN 793	10,636.39

<b>Date</b>	<b>Reg No.</b>	<b>Estimated Cost of Repair</b>
02/10/2009	FN 556	8.00
02/10/2009	GN 298	1,000.00
06/10/2009	GN 756	2,488.69
09/10/2009	GN 470	100.00
27/10/2009	GN 653	6,870.00
07/11/2009	GN 189	445.00
15/11/2009	GN 470	150.00
20/11/2009	GN 184	Yet to be estimated
23/11/2009	GM 911	Yet to be estimated
01/12/2009	GN 186	60.00
01/12/2009	GN 474	Yet to be estimated
4/12/2009	GM 042	Yet to be estimated

## Section 18 Ministry of Education

### Role and Responsibilities

The Ministry is responsible for the delivery of Education and Training Services to schools, pre – schools, and training centres and it is also responsible for the preservation of the different cultures in Fiji. These include the provision of curriculum frameworks, policy – guidelines, qualified teaching personnel, and programmes support to controlling authorities and education. The Ministry also has responsibilities for ensuring that standards in education are met and maintained through the regulation and recognition of education. Through advisory services, support is rendered to school management for the effective running of schools as well as financial assistance for constructions and maintenance of school facilities. The Ministry is also tasked with improving rural education standards and the education opportunities of disabled students and out of school youths. The Ministry has undertaken three (3) new initiatives and these include the establishment of the Fiji Teachers Registration Board, the formulation of the language policy and the establishment of seed capital for Poverty Relief Fund, which is also co – funded by private public partnership scheme.

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**PART 1: FINANCIAL STATEMENT****18.1 Audit Opinion**

The audit of the 2009 accounts of the Ministry of Education resulted in the issue of an unqualified audit report.

**18.2 Statement of Receipts and Expenditures**

The Ministry of Education collected revenue totalling \$2,117,217 and incurred total expenditures of \$243,995,434 in 2009.

**TABLE 18.1: STATEMENT OF RECEIPTS AND EXPENDITURES FOR 2009**

Description	2008 \$	2007 \$
<b>RECEIPTS</b>		
<b>State Revenue</b>		
Operating Revenue	1,997,550	1,367,295
<b>Total State Revenue</b>	<b>1,997,550</b>	<b>1,367,295</b>
<b>Agency Revenue</b>		
Miscellaneous Revenue	109,163	182,088
Sales of School Farm Produce	10,504	7,993
<b>Total Agency Revenue</b>	<b>119,667</b>	<b>190,081</b>
<b>TOTAL REVENUE</b>	<b>2,117,217</b>	<b>1,557,376</b>
<b>EXPENDITURES</b>		
<b>Operating Expenditure</b>		
Established Staff	198,868,639	203,219,593
Unestablished Staff	2,548,000	2,589,889
Travel & Communication	727,969	731,822
Maintenance & Operations	1,336,501	1,170,092
Purchase of Goods & Services	4,671,645	5,183,319
Operating Grants & Transfers	21,881,208	68,315,738
Special Expenditures	4,587,499	565,723
<b>Total Operating Expenditures</b>	<b>234,621,461</b>	<b>281,776,176</b>
<b>Capital Expenditure</b>		
Capital Construction	2,696,057	2,109,499
Capital Purchases	377,742	-
Capital Grants & Transfers	2,025,841	6,245,397
<b>Total Capital Expenditure</b>	<b>5,099,640</b>	<b>8,354,895</b>
Value Added Tax	4,274,333	1,002,247
<b>TOTAL EXPENDITURES</b>	<b>243,995,434</b>	<b>291,133,319</b>

The Ministry's revenue increased by \$559,841 or 36% in 2009 compared to 2008. This was attributed to the establishment of the Teachers Registration Board in 2009 which amongst other things was tasked in collecting teacher registration fees of \$30 per teacher.

The Operating Expenditure decreased by \$47,154,715 or 17% in 2009 compared to 2008 due to:

- the reduction in Established Staffs cost by \$4,350,954 attributed by the retirement of 1,054 staffs in 2009; and
- the decline in Operating Grant and Transfers by \$46,434,530 as a result of the transfer of the functions to the Higher Education Institutions to Head 26.

However, the reduction in the two SEG's above was somewhat cushioned or offset by an increase in Special Expenditures by \$4,021,776 attributed mainly to the payment of Bus Fare Levy for primary and secondary school students.

The total Capital Expenditure decreased by \$3,255,255 or 39% in 2009 due to the drastic reduction in Capital Grants and Transfers by \$4,219,556. However, Capital Construction increased by \$586,558 due to the upgrading of Vocational Training Centers, Sila Central College and the FCAE buildings while an increase of \$377,742 was also recorded for Capital Purchase due to the procurement of 5 Massey Ferguson Tractors from Asco Motors and other tractor accessories from Mid West Tractor (Fiji) Ltd.

There was also a substantial increase of \$3,372,086 in VAT expenditure in 2009 due to the payment of VAT on Bus Fare Levy and payment of VAT arrears.

### 18.3 Statement of Output Costs

The Statements of Output Costs consolidates the 14 outputs prescribed in the Budget Estimates. These are detailed in *Appendix 18.1*.

### 18.4 Appropriation Statement

The Ministry of Education incurred expenditures totalling \$243,995,434 in 2009 against the budget of \$253,409,000 resulting in savings of \$9,413,566 or 4%.

**TABLE 18.2: APPROPRIATION STATEMENT FOR 2009**

SEG	Description	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	236,209,500	(33,632,292)	202,577,208	198,868,639	---	3,708,569
2	Unestablished Staff	2,504,200	15,000	2,519,200	2,548,000	---	(28,800)
3	Travel & Communication	848,200	31,500	879,700	727,969	---	151,731
4	Maintenance & Operations	1,417,200	99,000	1,516,200	1,336,501	---	179,699
5	Purchase of Goods & Services	5,362,900	319,842	5,682,742	4,671,645	---	1,011,097
6	Operating Grants & Transfers	22,656,300	1,150,296	23,806,596	21,881,207	---	1,925,389
7	Special Expenditure	2,172,200	3,751,689	5,923,889	4,587,499	---	1,336,390
	<b>Total Operating Costs</b>	<b>271,170,500</b>	<b>(28,264,965)</b>	<b>242,905,535</b>	<b>234,621,461</b>	<b>---</b>	<b>8,284,074</b>
	<b>Capital Expenditure</b>						
8	Capital Construction	3,570,000	(153,786)	3,416,214	2,696,057	---	720,157
9	Capital Purchases	---	377,743	377,743	377,742	---	1
10	Capital Grants and Transfers	1,997,000	153,786	2,150,786	2,025,841	---	124,945
	<b>Total Capital Expenditure</b>	<b>5,567,000</b>	<b>377,743</b>	<b>5,944,743</b>	<b>5,099,640</b>	<b>---</b>	<b>845,103</b>

SEG	Description	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
13	Value Added Tax	1,671,500	2,887,222	4,558,722	4,274,333	---	284,389
	<b>TOTAL EXPENDITURE</b>	<b>278,409,000</b>	<b>(25,000,000)</b>	<b>253,409,000</b>	<b>243,995,434</b>	<b>---</b>	<b>9,413,566</b>

## EXPENDITURE

### 18.5 Increase in Total Losses

Losses may occur as a result of a number of factors such as:

- normal wear and tear of assets;
- ineffective internal controls;
- uncontrollable circumstances e.g. weather conditions;
- wasteful and fraudulent activities.<sup>1</sup>

Total losses for the Ministry had increased by \$45,035 (854%) in 2009 when compared to 2008. Refer to Table 18.3 for details.

**TABLE 18.3: LOSSES**

Description	2009 (\$)	2008 (\$)	Dollar Increase (\$)	Percentage Increase (%)
Loss of Money	43,144	4,154	38,990	939%
Loss of Food	3,403	218	3,185	1,459%
Loss of Assets	3,760	900	2,860	318%
<b>Total</b>	<b>50,307</b>	<b>5,272</b>	<b>45,035</b>	<b>854%</b>

A sum of \$39,250 was embezzled by Ms. Emele Yavala, the Bursar at Nasinu Secondary School while a sum of \$3,894 was fraudulently taken by Ms. Marica Ledua, the Bursar at Labasa College who had since paid \$1,140.

The above losses were results of weak internal controls and poor monitoring procedures being employed by the school Principals. Significant taxpayers' monies would be wasted if the Ministry continues to incur losses annually through such negligent acts.

### Recommendations

**The Ministry should review and tighten its internal control procedures and carry out proper and regular monitoring to curtail the risk of losses.**

### Management Comments

*The Ministry is trying its best to avoid losses of Monies; Food & Assets. Losses of these natures arise from theft and misappropriation of funds.*

<sup>1</sup> Finance Manual 2005, Part 2 14, Losses, Introduction.  
Ministry of Education

*The Ministry is taking serious initiatives and internal control measures put in place to avoid such losses re-occurring.*

*Losses of monies have been referred to Police Department and our Industrial Relations Division for recovery and further action.*

*Losses of assets have been referred to Ministry of Finance for surcharge recovery.*

*Losses of food are referred to Police Department for investigation and appropriate action.*

## CONSOLIDATED AND REVOLVING FUND ACCOUNT

### 18.6 Increase in Unpresented Cheques Listing

The “Drawings Account” will be operated for all payments except for those payable from petty cash bank accounts, TMA bank account and Trust Bank account.<sup>2</sup> Accounting Heads must follow up closely with their various clients and suppliers to present their cheques within reasonable period. Write off action should be taken once they become stale whereby those relating to the current year is charged against the appropriate expenditure allocation and those of previous years against the general revenue account.<sup>3</sup>

The drawings account balance for the Ministry represents the total value of cheques that were issued but not presented to the bank as at 31/12/09.

A review of the unpresented cheques balances over the past 3 years provided in Table 18.4 below indicates that they make up a significant portion of the domestic cash at bank and total cash holdings of Government at year end.

**TABLE 18.4: UNPRESENTED CHEQUES**

Year	Unpresented Cheques \$	Cash at Bank (\$)	% of Unpresented Cheques
2007	(5,414,993)	6,629,235	81.7
2008	(5,691,891)	8,882,955	64.1
2009	(8,228,655)	13,297,442	61.9

As evident in the table above, unpresented cheques have increased by a massive \$2,536,764 (44.6%) in 2009. This could indicate that processing of cheques is concentrated in the last quarter of the year which could result in uneconomical purchases, overstocking of goods and sometimes abuse of procurement procedures.

#### Recommendations

- **The Ministry should plan their expenditures well in advance in order to avoid the accumulation of unpresented cheques at year-end.**
- **Continuous follow-up actions by the Accounting Heads must be taken to encourage creditors to present their cheques to the banks before the end of the year.**

<sup>2</sup> Finance Manual 2005, Part 7 Cash Management, Section 7.4.3

<sup>3</sup> Finance Circular 21/2007 dated 12/11/07 section 7.4.2

**Management Comments**

*The payments from all other sections, district offices and schools flow throughout the year. By December these sections/district officers/schools check for any outstanding accounts not paid during the course of the year and ensures that they are paid for come December, hence an increase in cheques being issued.*

*The payees at year-end do not comprise of trade suppliers only. The external exams (FJC, FSLC, and FSFE) are normally held at the end of the year, the claims for the supervisors, markers, school grants are received by the end of November and December. Units have been reminded to send the outstanding payments to Headquarters after purchase so that payments are processed promptly and not wait for the end of the year. These cheques are prepared in December and presented to the bank the following year. All payments are paid within the same financial year.*

**18.7 Term Loans Receivable – Social Services**

The Ministry is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.<sup>4</sup>

A review of the Ministry's trial balance revealed the presence of nine asset accounts which have been dormant during the last four years since 2005. From these nine asset accounts, audit noted that two accounts were showing a credit balance. Refer to the Table 18.5 below.

**TABLE 18.5: TERM LOANS RECEIVABLE**

Allocation	Description	Amount (\$)	Audit Comments
1-21101-21999-611101	Corpus Christi College	(4,221.62)	Credit balance – no movement since 2005
1-21101-21999-611102	Fulton College	108,010.70	No movement since 2005
1-21101-21999-611103	Fiji College of Agriculture	(218.68)	Credit balance – no movement since 2005
1-21101-21999-611104	Fiji College of Advanced Education	907.92	No movement since 2005
1-21101-21999-611105	Fiji Institute of Technology	370,788.90	No movement since 2005
1-2110-121999-611106	Fiji National Training Council	14,182.28	No movement since 2005
1-21101-21999-611107	Fiji School of Medicine	132,069.34	No movement since 2005
1-21101-21999-611108	University of The South Pacific	623,876.43	No movement since 2005
1-21101-21999-611109	Students Loan Scheme	2,617,401.70	No movement since 2005
<b>Total</b>		<b>3,862,796.97</b>	

The Ministry was not able to provide a satisfactory response on what the above accounts represent and whether the institutions mentioned above are obligated to repay the Ministry the amount shown in the table.

**Recommendations**

**The Ministry should carry out a reconciliation of the above accounts and clear the outstanding figures from the general ledger.**

**Ministry's Comments**

*Recommendation is noted.*

*We wish to highlight to Audit that these are old expenses brought forward from the Old chart of Accounts.*

<sup>4</sup> Finance Manual 2005, Part 16, Ledger Accounts  
Ministry of Education

*When MOE went live into FMIS in July, 2005 these allocations were supposed to have been adjusted by FMIS, however this did not eventuate and these accounts which are not operational have been appearing under our Department but the Ministry did not incur any expenses in SAG 61 since 2005.*

*Ministry of Finance FMIS Section should be responsible for clearing these charges from our accounts when the new computerized system was put in place.*

*The Ministry will write to Ministry of Finance to delete these charges from our Accounts.*

## FIJI NATIONAL PROVIDENT FUND (FNPF)

### 18.8 Variance in FNPF Reconciliation

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.<sup>5</sup>

The current rate of contribution is 16 cents on each dollar earned, with the employer and employee each contributing 8 cents.

A reconciliation of FNPF contributions against salaries and wages reported in the financial statements revealed a variance of \$898,951. Refer to Table 18.6 below.

**TABLE 18.6: UN-RECONCILED FNPF VARIANCE**

Details	Amount \$
<b>(a) Total FNPF against salaries and wages for 2009:</b>	
FNPF as per financial statement	15,193,572
Less: December 2008 FNPF	2,489,570
	12,704,002
Add: December 2009 FNPF	2,283,749
FNPF for 2009	14,987,751
Gross Pay subject to FNPF (\$14,987,751/ 0.08)	187,346,888
<b>(b) Salaries and Wages for 2008 subject to FNPF</b>	
Salaries, wages and allowances as per financial statement	186,448,695
Less: Salaries, wages and allowances for 2009 not subject to FNPF	758
	186,447,937
<b>Un-reconciled Variance (a) – (b)</b>	<b>898,951</b>

No explanation was provided by the Ministry for the variance noted above. However, the variance could be due to the non inclusion of project staffs FNPF contributions because they were being paid from the project allocations instead of SEG 1 and SEG 2.

<sup>5</sup> Chapter 219 – Fiji National Provident Fund – Section 13 (1)  
Ministry of Education

**Recommendations**

- **The Ministry should review its FNPF records and reconciliations and provide explanations for the variances.**
- **Monthly reconciliations should be performed so that any variance noted could be verified and promptly corrected.**

**Management Comments**

*The Ministry does prepare its reconciliation on a monthly basis. However, the variance shown comprises of:*

- *Not all salaries and wages are paid from SEG 1 and 2 respectively.*
- *Payment of Exams casuals are paid from SEG 5- Expenses of Examinations.*
- *Payment of Project Staff from SEG 7 and likewise, payments of FNPF Contributions are made from the allocation the staffs are being paid from.*

**VALUE ADDED TAX (VAT)**

**18.9 VAT Reconciliation**

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>6</sup>

Audit review of VAT Returns, VAT reconciliations and supporting documents revealed an un-reconciled balance of \$1,456,502 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 18.7 for details.

**TABLE 18.7: UN-RECONCILED VAT VARIANCE**

Details	Amount \$
Total expenditure as per Expenditure Statement	243,995,433
Less: Expenditure not subject to VAT - SEG 1, 2, 6 & 10	225,323,687
Total expenditure/income subject to VAT (a)	18,671,746
Total taxable supplies as per VAT Returns (b)	17,215,244
<b>Un-reconciled variance (a) – (b)</b>	<b>1,456,502</b>

The above variance if not resolved could impact badly on the Ministry if the VAT Unit carries out an audit of the Ministry’s VAT records.

**Recommendations**

- **The Ministry needs to rectify the differences noted above to ascertain its true position with regards to VAT to avoid any future complications with the VAT office.**
- **Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL.**

<sup>6</sup> Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

**Management Comments**

*VAT Reconciliations are being carried out by the Ministry on a monthly basis.*

<i>Total Input VAT (130101) FMIS</i>	<i>= \$2,879,399.73</i>
<i>Total Input VAT (130101) MoE Reconciliation</i>	<i>= \$2,892,294.73</i>

*DIFFERENCE* = \$ 12,895.00

*The difference was due to change in figures in FMIS after the preparation of the VAT Return for the month of December 2009 even after the closing of journals.*

*Also, note that some expenses do not charge VAT e.g. Meal allowances & Subsistence allowance. Some allocations apart from SEG 1 and 2 cater for salaries of staff (casuals) e.g. SEG 5 and SEG 7 and payment of salaries for project staff.*

**PART 2: AUDIT FINDINGS****HEADQUARTERS****18.10 Excessive Leave Due**

Annual Leave shall normally be taken when due. Officers may be allowed to carry over up to a maximum of ten working days leave entitlement from one leave year to the next.<sup>7</sup> There should be no reason or justification for the accumulation of annual leave beyond what is permissible, if leave were properly administered.<sup>8</sup>

There should be no room for justification for the accumulation of annual leave beyond what is permissible, nor payment of compensation in lieu, if leave were properly administered. Under no circumstances should they be required to carry over more than ten working days of leave entitlement from one leave year to the next.<sup>9</sup>

Contrary to the above provisions, scrutiny of leave records revealed that some officers have not been taking their annual leave when due, resulting in the carrying over of more than ten working days leave to their next leave year. The leave liability for the Ministry amounted to a massive \$334,253.50 in 2009. Refer to *Appendix 18.2* for details.

It was revealed that reminder letters were issued to officers with excessive leave balances but they failed to take their leave as instructed.

The above anomaly indicates the ineffective administration of leave entitlements in the Ministry. The proper administration of leave is a mode of internal control which ensures rotation of duties and that the works of those officers who go on leave are checked by other officers.

When leave is not properly administered and staffs suddenly resign, or terminated, this could put a strain on the Ministry's budgetary provisions.

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<sup>7</sup> General Order 705

<sup>8</sup> PSC Circular 9/2003

<sup>9</sup> PSC Circular No. 48/2008 – 4.0

**Recommendation**

**The Administrative Officer should properly monitor staff leave balances and request officers to utilize their leave when due in accordance with the requirements of General Order 705.**

**Management Comments**

*Leave Section main role is strengthening the Ministry’s Monitoring and Evaluation function and improvement of the processes in all matters relating to Leave and Passage:*

- *Timeliness and quality of processing and reporting*
- *Quality of Data Management*
- *Accountability and compliance with Govt. regulation and policies.*

*Please note that this section is not responsible for the planning of officers leave period as that is the sole responsibility of the Head of Units. We only facilitate the instructions received from them. With the above in mind, our section have designated responsibilities that have been delegated to all the staff and one of that responsibilities is sending reminders to all the staff who have excessive leave. These reminders are sent to the officers through their respective Heads to remind them of the excessive leave and therefore as responsible administrators, they should be planning the leave of staff in their section as they would be the ideal person to know the movement of staff.*

*Many of the staffs that had been given reminders have advised us verbally that they will take their leave on piece meal and some have even said that it will depend on the bosses. So it is the decision of the management to enforce the existing policy as we can only act if we are empowered to do so.*

*In the list given, many of them have left the service as listed in the amended table, and there is quite a good number that only has the number of days that is in accordance to standard instructions which is the entitlement plus the accumulated of not more than 10 days.*

*The only few that has excessive leave have been sent reminders and since we had re-designed the template we have written reminders on it that if they do not advise us of the intended date of departure, we will be recommending to the Permanent Secretary the dates and means of utilizing these leave.*

**18.11 Overpayment of Salary**

An Officer, who has resigned, deemed to have resigned or terminated shall forfeit all the rights and privileges of his office from the date decided by the Commission.<sup>10</sup> An officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice.<sup>11</sup>

The Ministry recorded a total gross overpayment of \$210,583.35 for the year ending 31 December 2009. An analysis of the past five-year’s overpayment showed an astonishing 294 percent increase from 2005 to 2009. Refer to Table 18.8 for overpayment summary and a detailed analysis of overpayment made in 2009 is given in *Appendix 18.3*.

**TABLE 18.8: SUMMARY OF OVERPAYMENT OF SALARIES**

Year	Gross Overpayment (\$)	Amount Recovered (\$)	Balance as at 31 December (\$)
2005	53,434.15	32,462.44	20,971.71
2006	40,558.24	2,450.01	38,108.23

<sup>10</sup> General Orders 222 (d)

<sup>11</sup> General Orders 222 (a)

Year	Gross Overpayment (\$)	Amount Recovered (\$)	Balance as at 31 December (\$)
2007	297,436.62	105,728.24	191,708.38
2008	179,995.06	45,246.07	134,748.99
2009	210,583.35	67,940.94	142,642.41

The overpayment had resulted from the Ministry's failure to rectify the administrative problems relating to resignations, terminations and overpayment of allowances. Generally, the advice for cessation of salary is often delayed and reaches the Personnel section at Headquarters very late.

As the table indicates, this problem had been prevalent in prior years and had been continuously highlighted by audit.

Taxpayers' monies are wasted and could be subject to future write-offs if not promptly followed up and recovered.

### **Recommendations**

- **The Ministry should make a concerted effort to recover these overpayments and appropriate action needs to be taken against officers who have failed to take the necessary actions under the circumstances.**
- **The Ministry should develop an effective and efficient communication process between the various District Education offices with Headquarters for prompt action on requests.**

### **Management Comments**

*The department has written to the defaulting officers who have left the service requesting repayment of the overpaid salary, however, we have not been fully successful in recovery of the overpayments as some officers have left their last known addresses. Recoveries from teachers that are on the payroll have been completed and in some cases are currently being recovered. Requests for write-off of long outstanding overpayments have been made to the Ministry of Finance but as yet, we have not received a positive reply.*

*The use of telephones, internet and fax machines have contributed to the departments attempts at minimizing overpayments nonetheless there is room for improvement in communication by all concerned, both at District and Administration level. The Ministry's Internal Database (FESA) is being used as the first point of reference for any changes in an Officers' status.*

*Plans are in the pipeline to improve communication from rural and island school locations that will improve the flow of information to and from districts and consequentially Personnel and Salaries Section where changes can be made on time.*

*Your comments are noted and every effort will be made to recover funds from the officers who have left the department.*

## **18.12 Excessive Overseas Calls**

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Parliament approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the authorisation of the Ministry of Finance, pending approval by Cabinet.<sup>12</sup>

<sup>12</sup> Finance manual 2005 Section 2.1.2

Ministries and Departments are expected to institute strict expenditure controls on daily operational expenses such as fuel and oil, travel, stationery, telecommunications, incidentals etc.<sup>13</sup>

Audit noted that Headquarters had incurred excessive telephone charges in 2009. Scrutiny of the sampled telephone bills noted the following:

- Numerous calls were made to mobile numbers and overseas landline.
- Lengthy and expensive calls were made to countries like Australia, New Zealand, United Kingdom and Germany.
- Switchboard operator confirmed that these calls could not be traced because details were not present in the telephone register. Refer to *Appendix 18.4* for examples.
- Five overseas calls made during February 2009 lasted more than an hour while one lasted more than two hours.

Audit had summarised some of the frequently called numbers made during the months of February, July and October 2009 to New Zealand and United Kingdom and this is summarised in Table 18.9 below.

**TABLE 18.9 FREQUENTLY CALLED NUMBERS**

Date	Start Time	Duration	Number Called	Place Called	Call Charges \$	Totals (\$)
13/02/09	08:14:31	11:50	6478470069	NEW ZEALAND	5.82	
10/02/09	12:34:33	10:39	6478470069	NEW ZEALAND	5.18	
<b>11/02/09</b>	<b>16:46:52</b>	<b>5:45</b>	<b>6478470069</b>	<b>NEW ZEALAND</b>	<b>2.56</b>	<b>13.56</b>
25/02/09	07:16:32	19:38	6492759122	NEW ZEALAND	9.99	
29/10/09	10:33:41	26:19	6492759122	NEW ZEALAND	14.10	
<b>28/07/09</b>	<b>15:43:57</b>	<b>26:28</b>	<b>6492759122</b>	<b>NEW ZEALAND</b>	<b>14.15</b>	<b>38.24</b>
25/02/09	07:49:19	11:10	64211359071	NZMOBILE	8.32	
26/02/09	09:22:16	12:17	64211359071	NZMOBILE	9.14	
24/02/09	09:54:08	33:41	64211359071	NZMOBILE	24.30	
20/10/09	10:30:49	32:37	64211359071	NZMOBILE	24.30	
08/07/09	10:31:37	14:32	64211359071	NZMOBILE	10.85	
26/02/09	10:32:59	17:50	64211359071	NZMOBILE	12.71	
09/02/09	13:33:03	27:39	64211359071	NZMOBILE	19.84	
23/10/09	14:25:14	8:16	64211359071	NZMOBILE	6.17	
07/10/09	14:57:13	23:01	64211359071	NZMOBILE	17.16	
01/10/09	15:29:38	9:45	64211359071	NZMOBILE	7.28	
<b>01/10/09</b>	<b>15:40:08</b>	<b>14:45</b>	<b>64211359071</b>	<b>NZMOBILE</b>	<b>11.00</b>	<b>140.07</b>
31/07/09	06:32:07	16:22	447733455030	U.KINGDOM	8.76	
19/02/09	06:45:37	11:44	447733455030	U.KINGDOM	5.77	
07/10/09	06:48:37	7:47	447733455030	U.KINGDOM	4.17	
10/02/09	06:51:12	18:7	447733455030	U.KINGDOM	9.72	
08/10/09	06:51:56	20:53	447733455030	U.KINGDOM	11.16	
06/10/09	06:54:32	5:20	447733455030	U.KINGDOM	2.88	
26/10/09	06:57:28	10:33	447733455030	U.KINGDOM	5.66	
17/02/09	06:58:08	8:50	447733455030	U.KINGDOM	4.33	
14/07/09	07:02:41	6:11	447733455030	U.KINGDOM	3.31	
24/07/09	07:05:47	7:36	447733455030	U.KINGDOM	4.06	
22/07/09	07:14:29	12:36	447733455030	U.KINGDOM	6.73	

<sup>13</sup> PSC Circular No: 07/2009

Date	Start Time	Duration	Number Called	Place Called	Call Charges \$	Totals (\$)
02/02/09	07:15:41	11:59	447733455030	U.KINGDOM	5.87	72.42
09/02/09	08:45:46	50:48	447919383840	U.KINGDOM	26.59	
12/02/09	09:18:34	132:48	447919383840	U.KINGDOM	70.38	
17/02/09	09:27:32	10:25	447919383840	U.KINGDOM	5.61	
05/02/09	09:37:12	50:13	447919383840	U.KINGDOM	26.86	
19/02/09	09:47:21	101:70	447919383840	U.KINGDOM	54.04	
17/02/09	10:04:01	79:10	447919383840	U.KINGDOM	42.29	
23/02/09	10:12:56	87:39	447919383840	U.KINGDOM	46.30	
27/02/09	10:21:59	48:55	447919383840	U.KINGDOM	25.63	
25/02/09	10:24:51	9:25	447919383840	U.KINGDOM	5.07	
25/02/09	10:36:03	97:10	447919383840	U.KINGDOM	51.85	
05/02/09	11:00:04	56:49	447919383840	U.KINGDOM	29.85	
27/02/09	11:11:47	41:31	447919383840	U.KINGDOM	21.68	
20/02/09	11:13:25	12:37	447919383840	U.KINGDOM	6.25	
20/02/09	11:27:53	4:51	447919383840	U.KINGDOM	2.08	
27/02/09	11:53:19	11:13	447919383840	U.KINGDOM	6.03	
20/02/09	12:04:05	33:48	447919383840	U.KINGDOM	17.52	
02/02/09	12:05:29	45:37	447919383840	U.KINGDOM	23.87	
25/02/09	16:05:33	4:11	447919383840	U.KINGDOM	2.24	
25/02/09	16:14:08	105:16	447919383840	U.KINGDOM	56.23	
05/02/09	17:49:31	40:56	447919383840	U.KINGDOM	21.36	
05/02/09	18:44:51	22:36	447919383840	U.KINGDOM	11.53	541.73
20/02/09	08:24:32	9:43	642102370270	NZMOBILE	6.54	
28/02/09	11:13:46	13:40	642102370270	NZMOBILE	9.73	
23/02/09	13:00:11	27:43	642102370270	NZMOBILE	19.91	
27/02/09	15:20:04	9:60	642102370270	NZMOBILE	6.76	
18/02/09	15:27:52	6:16	642102370270	NZMOBILE	4.68	
25/02/09	15:43:07	12:29	642102370270	NZMOBILE	9.29	56.91
<b>Total</b>					<b>862.93</b>	<b>862.93</b>

Failure by the Ministry to properly monitor its telephone bills has led to the excessive unofficial calls being made undetected.

The above finding indicates the laxity of the switchboard operator to carry out her duties diligently, and as such numerous lengthy international calls were made but not recorded resulting in the inability of the Ministry to recover the costs from those who have abused this facility.

### **Recommendations**

- **The Ministry should strictly monitor and record telephone calls made to overseas landline and mobile numbers. Only official calls should be entertained with the prior approval of Permanent Secretary.**
- **The switchboard operator should record the names of all the staffs making calls to overseas landline and mobile numbers in a register to facilitate recovery of call charges for personal calls.**
- **The Ministry should investigate the excessive telephone calls made to the United Kingdom and New Zealand and the staff responsible should be appropriately disciplined.**
- **The telephone operator should diligently and honestly perform her job and record all overseas calls made including her own.**

**Management Comments**

*All calls to mobile phones have been barred from the Ministry's switchboard. Further action is taken to also bar overseas calls from extensions except through the switchboard. PIN codes are only issued to Director level and above. The switchboard operator has been instructed to keep a register for all overseas calls approved by the Permanent Secretary for Education. The Ministry is carrying out an investigation on the excessive personal calls and will discipline the officers responsible.*

*Mostly call were made from various lines but extension cannot be detected as the statement is issued by Telecom is on Ministry's standard landline and not extension wise to detect the responsible section or personnel.*

**18.13 Non Monitoring of Grant Assistance**

The recipient of the grant assistant shall prepare an acquittal report. The acquittal report shall provide the following information:

- Details of grant money expended and unexpended;
- Grant objectives and targets achieved.<sup>14</sup>

Scrutiny of a sample of school files revealed that schools are not submitting acquittal reports for capital grants disbursed by the Ministry. The total Capital Grant allocation in 2009 was \$1,997,000. The purpose for the grants were for building of facilities such as classrooms, dining hall and kitchen and ablution upgrading, improving performance of schools project and upgrading boarding facilities.

Table 18.10 below tabulates the grants awarded to those schools who have not submitted their acquittal reports to the Ministry in 2009.

**TABLE 18.10: DETAILS OF THE GRANT AWARDED BUT ACQUITTALS NOT RECEIVED**

School Names	Date	Grant Awarded (\$)	Purpose of Grant
Ratu Alipate Primary School	15/05/09	22,000	Construction of 1 x 1 classroom
Dawasamu Secondary	26/05/09	42,500	Improving Performance in Schools Projects
Bemana District School	12/06/09	20,000	Upgrading of dining hall and kitchen
Korovou Primary School	24/06/09	16,000	Construction of 1 x staff quarters
Vunidawa Primary School	24/08/09	20,000	Maintenance and Upgrading of Boarding facilities
Beqa/Yanuca Secondary School	27/08/09	184,000	Construction of a new school
Korovou Methodist Kindergarten	31/08/09	3,000	Classroom and Ablution upgrading
Cuvu Kindergarten	08/10/09	3,000	Classroom and Ablution upgrading

Inconsistent or non-monitoring by the Asset Management Unit on the feedback or progress reports has resulted in recipients not submitting their acquittals.

Thus, the Ministry is unaware of whether the allocated funds have been utilized for the purposes it was approved for or otherwise.

**Recommendations**

- **The Ministry should follow up with the recipient schools to submit their respective acquittals reports.**

<sup>14</sup> Finance Manual 2005 - Monitoring Grant Assistance 3.3.1  
Ministry of Education

- **Section 3.3.1 of the Finance Manual should be strictly complied with and appropriate actions taken against those officers who do not comply.**

### Management Comments

	<i>School Name</i>	<i>District</i>	<i>Date</i>	<i>Grant Awarded (\$)</i>	<i>Purpose of Grant</i>	<i>Management Comments</i>
1	<i>Bemana District School</i>	<i>Nadroga/Navosa</i>	<i>6/12/2009</i>	<i>\$20,000</i>	<i>Upgrading of dining hall and kitchen</i>	<i>Work in progress has yet to receive any acquittal</i>
2	<i>Cuvu Kindergarten</i>	<i>Nadroga/Navosa</i>	<i>10/8/2009</i>	<i>\$3,000</i>	<i>Classroom and Ablution upgrading</i>	<i>Work in progress has yet to receive any acquittal</i>
3	<i>Rt Alipate Primary School</i>	<i>Nausori</i>	<i>5/15/2009</i>	<i>\$22,000</i>	<i>Construction of 1 x 1 classroom</i>	<i>Work in progress has yet to receive any acquittal</i>
4	<i>Dawasamu Secondary</i>	<i>Nausori</i>	<i>5/26/2009</i>	<i>\$42,500</i>	<i>Improving Performance in Schools Projects</i>	<i>76% of the Acquittal provided. All acquittal</i>
5	<i>Korovou Primary School</i>	<i>Nausori</i>	<i>6/24/2009</i>	<i>\$16,000</i>	<i>Construction of 1 x staff quarters</i>	<i>Completion of teachers quarters still in progress.</i>
6	<i>Vunidawa Primary School</i>	<i>Nausori</i>	<i>8/24/2009</i>	<i>\$20,000</i>	<i>Maintenance and Upgrading of Boarding facilities</i>	<i>Incomplete acquittals and building incomplete. They claim that acquittals were lost in the recent flood.</i>
7	<i>Korovou Methodist Kindergarten</i>	<i>Nausori</i>	<i>8/31/2009</i>	<i>\$3,000</i>	<i>Classroom and Ablution upgrading</i>	<i>Work 40% completed acquittal yet to be received. Work closely monitored. Acquittal will be submitted when work completes.</i>
8	<i>Beqa/Yanuca Secondary</i>	<i>Suva</i>	<i>8/27/2009</i>	<i>\$184,000</i>	<i>Construction of a new school</i>	<i>School Manager bringing the acquittal by end of the month.</i>

## **FIJI TEACHER REGISTRATION BOARD (FTRB)**

### **18.14 Registration of Teachers**

The Board has the power to grant limited authority to a person, in prescribed form, to teach at any school in any specified subject if the Board is satisfied that the person –

- does not meet the requirements for full registration or provisional registration has the appropriate skill or experience that is not attained by a registered teacher;
- is a teacher trainee recommended by a recognized teacher education college or by the Permanent Secretary; and
- is of good character.<sup>15</sup>

<sup>15</sup> Fiji Teachers Registration Promulgation 2008 Section 24  
Ministry of Education

Audit noted that one thousand four hundred and forty five (1,445) teachers who registered through FTRB had no details of qualifications recorded in the Fiji Education Staffing Appointment (FESA) system but they were nonetheless granted limited authority to teach.

Failure by the Board to properly scrutinize the applications submitted to them had resulted in some teachers being registered without appropriate qualification.

The recruitment of unqualified teachers could affect the students learning capacity and this could affect their output when they sit for important examinations.

**Recommendations**

- **Full entries such as the teachers’ qualifications should be updated on FESA to minimize time and maximize output.**
- **All applications must be assessed properly prior to collection of registration fees.**

**Management Comments**

*When the Fiji Teachers Registration Board (FTRB) Promulgation came into effect in June 2009, all teachers in schools were required to register within the next two months. With over 10,000 teachers in the school system to be registered first and foremost and only 5 FTRB officers to do the work, errors in registration were bound to happen due to the short time span of registrations.*

*The FTRB Secretariat has from the beginning of this year been following up on teachers qualifications. In cases where their certificates were not in our files, we have asked them to send in certified copies for sighting and filing.*

*We, at the Secretariat are in the process of doing our Teacher Audit where we follow up on teachers who need to submit documents, pay their fees and so on. These officers are contacted by phone and a list sent to their Education districts for further follow up.*

*Teachers in the system are usually only registered once the relevant section of the Ministry e.g. ECE, Primary, Secondary, and Technical are satisfied that they can go and teach in their respective areas with proper qualifications.*

**18.15 Teachers Pending Disciplinary Cases**

An employee must at all times behave in a way that upholds the Public Service Values and the integrity and good reputation of the public service.<sup>16</sup> The audit noted the followings:

- There were seven disciplinary cases involving teachers who were registered under the Fiji Teacher Registration Board (FTRB). Refer Table 18.11 for details.
- The FTRB Promulgation 2008 and the Fiji Teachers Regulations 2008 is silent on the courses of action to be taken against such teachers with disciplinary cases.
- Neither the FTRB nor the Ministry of Education had taken any action against such offenders.

**TABLE 18.11: DISCIPLINARY CASES AGAINST TEACHERS REGISTERED THROUGH FTRB**

No	Teachers Name / School	Allegations/Actions taken	Status of case
1	Mr. Laitia Tuinavitilevu TPF: 81521	<b>Examination – Mismanagement [ FSFE Computer paper 2009]</b>	Charges sent to Solicitor General's (SG) office for vetting on 29.03.10.

<sup>16</sup> PSC Code of Conduct  
Ministry of Education

No	Teachers Name / School	Allegations/Actions taken	Status of case
	Ballentine Memorial	<ul style="list-style-type: none"> <li>Charged for disclosing the soft copy of 2009 FSFE Computer question paper, answer book and solutions manual to the former computer teacher of John Wesley College, Mr. Ananaisa Waqa Sovaki.</li> </ul>	
2	Mr. Aminiasi Mateiwai TPF 80598 Gau Secondary.	<b>Case on beating up Student Neumi Toava on 19/11/08</b>	<ul style="list-style-type: none"> <li>Disciplinary charges sent to SG's Office on 18.03.10 for vetting.</li> </ul>
3	Mr. Dharendra Prasad TPF 54879 Lautoka Central Primary	<b>Complaint of abuse of Authority.</b> <ul style="list-style-type: none"> <li>Memo from PSC dated 04/9/07 to investigate the allegations against Mr Prasad.</li> <li>There is no investigation report in the file.</li> </ul>	<ul style="list-style-type: none"> <li>Received letter from Acting SEO Lautoka /Yasawa regarding the issue.</li> <li>To be put to Disciplinary Staff Board for their decision.</li> </ul>
4	Mr. Diwan Chand TPF 54652 St. Augustine School Labasa	<b>Case – Sexual Defilement – Student Meraia Tawake.</b> <ul style="list-style-type: none"> <li>Disciplinary charges sent through DEO [Northern] by CDP</li> </ul>	<ul style="list-style-type: none"> <li>Suspended without salary</li> <li>Responded to disciplinary charges on 12.03.10.</li> <li>Preparing submission for DSB meeting.</li> </ul>
5	Mr. Kinijoji Turaga  TPF : 83500 Nasinu Secondary School	<b>Examination – Mismanagement [ FSFE Computer paper 2009]</b> <ul style="list-style-type: none"> <li>Obtained soft copy of the exam paper and colluded with another teacher, Salaseini Tarabe to distribute exam papers to students during the annual examination.</li> </ul>	Charges sent to S.G office for vetting on 29.03.10.
6	Mr. Salaseini Tarabe  TPF: 82976 Nasinu Secondary School	<b>Examination – Mismanagement [ FSFE Computer paper 2009]</b> <ul style="list-style-type: none"> <li>Administering the duplicate copy of the 2009 Annual Examination FSFE Computer studies paper to her students at Nasinu Secondary.</li> </ul>	Charges sent to S.G office for vetting on 29.03.10.
7	Mr. Anare Drauna TPF 65337 Bua Central College	<b>Case of sexual defilement/ relationship with a student Marica Nakama.</b> <ul style="list-style-type: none"> <li>Sent disciplinary charges to SG's office on 19/02/10 for vetting.</li> </ul>	<ul style="list-style-type: none"> <li>Salary suspended from Pay 17/09</li> <li>Disciplinary charges sent on 09.03.10 through DEO [Northern]</li> </ul>

These cases were still pending during the audit conduct due to the inaction by the Ministry in promptly dealing with them.

The education system and in particular the students could be at risk of future assaults and humiliations if appropriate and quick actions are not taken promptly.

In cases where teachers have been suspended, extra and increased teaching loads would have been assumed by other teachers to fill the void and this could result in the teachers suffering from stress through increased work load. The students could also be affected as a consequence.

### **Recommendations**

- **The FTRB should ensure that the PSC code of conduct is followed at all times.**
- **Appropriate and quick actions should be taken against teachers facing disciplinary charges and a circular should be sent advising teachers to refrain from indulging in such illegal activities.**

### **Management Comments**

*All the teachers in the list were registered in 2009 as they were already in the field and the Promulgation stated that all teachers had to register.*

*FTRB Secretariat also works within the system of Justice whereby a person is innocent until proven guilty. If a person has an allegation against him/her and has not been convicted of these allegations, then the person has all the right to register if he/she meets the criteria for registration. However the Secretariat has the power to deregister these teachers, after conviction then.*

### **18.14 Monitoring of Revenue Collection**

Revenue collectors are to process and record all money received in accordance with the procedures set out in the Finance Manual.<sup>17</sup> All money received by an agency shall be banked on the day of receipt or as early as practicable on the next banking day by an officer who is independent of the revenue collector.<sup>18</sup>

Procedures have been put in place to maintain an appropriate level of control in the receipt of monies.<sup>19</sup>

Audit noted that the Ministry's monitoring process for revenue collection and lodgements were very weak. These weaknesses resulted in the mismanagement and embezzlement of Government revenue totalling \$43,144 for two prominent Government schools.

- The Bursar (Ms. Emele Yavala) at the Nasinu Secondary School was implicated for embezzling \$39,250 because the revenues collected were not lodged.
- The Bursar (Ms. Marica Ledua) at Labasa College was implicated for misappropriating \$3,894 by reissuing used receipts to new students. She had repaid a sum of \$1,140 before being suspended from the service.

These cases were a result of poor monitoring by the respective school principals and the revenue officers at HQ for failing to monitor the collections and lodgements of government revenues on a timely basis.

If such mismanagement are not properly controlled, it could have an impact on the students since they are losing out on resources that otherwise would have been made available to them through the utilisation of the embezzled funds.

### **Recommendations**

- **The School Management and the Ministry should be more vigilant in terms of monitoring Revenue Receipts and Trust Fund Receipts from government schools.**
- **Electronic cash register machines to be installed at all revenue collecting centers and stricter control measures implemented to avoid future misuse of Government revenue.**

### **Management Comments**

*The Revenue and Ledgers sections have in place a monitoring system, whereby they have frequency charts and distribution register to monitor any irregularity. As soon as the pay-ins is received it is checked against the registers subsequently the normal process of documenting and filing is completed.*

<sup>17</sup> Finance Instruction 2005, Part 4, section 27(2)

<sup>18</sup> Finance Instruction 2005, Part 4, section 29(7)

<sup>19</sup> Finance Manual 2005

Letters and memos are sent to schools for reminders of non-lodgments and irregularities of lodgments to principals, as they are the head of units and are responsible for monitoring revenue collections by bursars for explanations and checks.

The Principals are aware of the Trust Fund guidelines and procedures of collection and banking of revenues and trust funds. Also, Principals were advised by memo to make surprise checks on revenue receipts and other revenue documents kept by bursar.

The Ministry has over time provided training to bursars and to principals every year and when the need arises and copies of procedures and guidelines is provided to them. The sections are now strictly monitoring and making inspection visits to schools when irregularities are detected in a schools revenue collection.

## 18.15 Over-Expenditures

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Parliament approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the authorisation of the Ministry of Finance, pending approval by Parliament.<sup>20</sup>

Audit noted that the various sections within the Ministry had overspent their budgetary allocations for 2009. Refer to table 18.12 for details.

**TABLE 18.12: OVER-EXPENDITURE**

Section	Item	Allocation	Revised Annual Provision (\$)	Actual Expenditure (\$)	Over-Spending (\$)
Culture & Heritage	Preservation – Historical/ Traditional Sites	1-21A01-121999-060132	80,000	86,781.82	6,781.82
DEO Central	Unestablished Staff Wages	1-21201-910210-20101	7,683	9,664.34	1,981.34
SEO Suva	Unestablished Staff Wages	1-21201-910110-20101	7,683	8,162	479.00
DEO Eastern	Unestablished Staff Wages	1-21201-948110-20101	7,683	8,488.48	805.48
	Subsistence	1-21201-948110-30301	2,300	3,101.45	801.45
	Telecommunication	1-21201-948110-30401	4,000	5,211.01	1,211.01
PAO	OHS	1-21101-910120-50405	6,800	12,904.57	6,104.57
	Postage	1-21101-910120-40206	150,000	154,863.74	4,863.74
	Advertising	1-21101-910120-40708	10,000	11,168.01	1,168.01
	Relieving Staff	1-21302-910120-20601	5,000	9,384.32	4,384.32
	Unestablished Staff Wages	1-21101-910120-20101	119,676	120,142.16	466.16
	Overtime & Allowances	1-21101-910120-40101	7,050	30,705.79	23,655.79
	Travel ME	1-21101-219990-30101	2,000	6,178.90	4,178.90
	PSE Residence	1-21101-910130-30401	2,900	4,650.95	1,750.95
	Maint Running Expenses MOE Vehicle	1-21101-910130-40399	2,400	6,597.84	4,197.84
PEO (RTD)	Upgrading of Vocational Training Centers ( R )	1-21101-910180-80499	346,214	462,357.91	116,143.91
SEO Careers	Student Interview Expenses	1-21402-9101K0-59199	0	690.22	690.22
Director	Transfers	1-21301-910160-30306	5,000	7,170.54	2,170.54

Section	Item	Allocation	Revised Annual Provision (\$)	Actual Expenditure (\$)	Over-Spending (\$)
Secondary	Tuition fee – Form 2	1-21301-910160-60206	350,000	459,532.78	109,532.78
	Tuition Fee Form 6	1-21301-910160-60210	2,227,000	3,236,466.11	959,466.11
SBU	Purchase of Tapes & Cassettes	1-21404-910750-59104	2,000	9,224.64	7,224.64
Director (CAS)	Unestablished Wages	1-21401-910140-20101	26,999	31,984.78	4,985.78
	Telecommunications	1-21401-910140-30401	4,700	5,553.52	853.52
	Maintenance of office equipment	1-21401-910140-40351	1,000	1,858.70	858.70
	Stores & Services	1-21401-910140-50501	5,000	6,863.26	1,863.26
Director (Primary)	Materials & Stores	1-21201-910150-59107	1,000	2,472.40	1,472.40
	Reserved Teachers Salary	1-21203-910150-60136	56,000	89,970.72	33,970.72
Asset Monitoring Unit	Unestablished Wages	1-21701-910190-20101	18,046	23,334.01	5,288.01

The over expenditures was due to the following factors:

- unplanned overtimes done during the year
- payment of time-off hours to government wage earners and
- details for a number of establishments within the individual sections were not updated in the payroll system on time resulting in the over expenditures at year-end.

Over-expenditures can cause a strain on government's funds and could lead to cash flow problems.

### **Recommendations**

- **The Ministry should adhere to the financial policies of Government and spent within its allocated budget.**
- **Proper planning and monitoring is crucial in using the funds wisely.**
- **Ministry of Education should not allow any payments to any sections above its allocated amount, unless otherwise approved by relevant authorities or officers**

### **Management Comments**

*The sections and units of the Ministry are advised to keep commitment ledger and to update and reconcile monthly expenditures against the General Ledger and check availability of balance before submitting requests to headquarters for payments or purchases. Expenditure reports are sent to various sections /units to reconcile the monthly allocations.*

*A monthly commitment Return is now completed by sections and submitted to CO/Ledgers and reminders are sent if need arises. (attach)Also, if any unit is late in submitting their Commitment Return a grace period is given if still not complying their PO request will be ceased for further notice.*

*The over-expenditures reflected are mainly activity based that is item wise but overall budget line is not overspent. This was also discussed with AG's officer visiting the Ministry. E.g., the food allocation is within Government school food ration pool and if QVS overspent its food allocation in a month it will reflect as QVS overspending but overall pool will not be overspent.*

*A reminder has been sent to vote controllers of keeping Commitment ledger to avoid overspending their budget allocations.*

**DIVISIONAL CENTRAL AND EASTERN EDUCATION OFFICE****NUKU SECONDARY****18.16 Update on Building of New School**

Where required under Finance Instruction 25-(8), the recipient shall prepare an acquittal report. The acquittal report shall provide the following information:

- i. details of grant money expended and unexpended;
- ii. grant objectives and targets achieved;
- iii. financial statement (audited if practicable) for grants of \$20,000 or more.<sup>21</sup>

As part of Minister's Projects for Educationally Disadvantaged Areas, Nuku Junior Secondary was awarded a total capital grant of \$223,059.90 in 2009 to build a new school for the benefit of Forms 1 to 4 students in the area.

During the audit site visit on 11/03/10, a few anomalies were noted which are detailed in Table 18.13 below.

**TABLE 18.13: DETAILS OF CAPITAL GRANT AWARDED**

Project	Stage	2009 Costs (\$)	2010 Costs (\$)	Total (\$)	Anomalies/Comments
Site Clearing/Leveling	1	62,000.00		62,000.00	Completed
1x 4 Classrooms	2	80,000.00		80,000.00	Not commenced as at date of audit visit
2 x Ablution Blocks (4 pans)	2	36,000.00		36,000.00	Not commenced as at date of audit visit
1 x Teachers Quarters	2		33,000	33,000.00	Not commenced as at date of audit visit
Rural Water Scheme	2	9,974.90		9,974.90	Not commenced as at date of audit visit
Upgrading Community Hall	2	2,085.00		2,085.00	Completed
<b>Total</b>		<b>190,059.90</b>	<b>33,000</b>	<b>223,059.90</b>	

The delay in the construction of the new school was due to the non-commissioning of the rural water scheme that would have provided the much-needed water to assist in the construction of the classrooms and the teacher's quarters.

Upon further enquiries, the following were established:

- The school was not able to obtain cheaper quotations from construction companies to carry out the capital project.
- The project is now handled by the Ministry of Provincial Development who will appoint the contractors.
- Management have utilised part of the grant money to purchase furniture's and equipments for the school like tables, chairs, photocopier, computer, generator and various farming tools. This was not part of the project proposal. Refer to the illustrations on figures 18.1 to 18.4.
- Acquittal report could not be obtained either from the school or from the Asset Management Unit.

<sup>21</sup> Finance Manual 2005, Part 3, Section 3.3.1

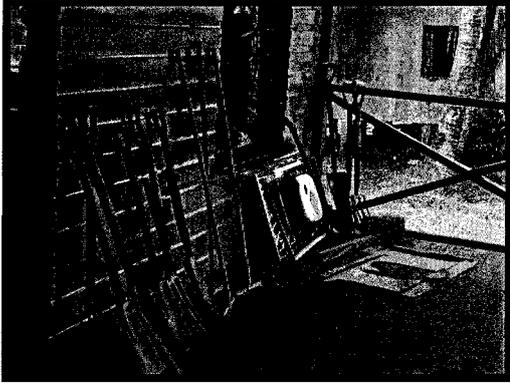


Figure 18.1: Tools purchased



Figure 18.2: School furniture purchased



Figure 18.3: Computer and photocopier purchased



Figure 18.4: School furniture used by teachers

The absence of regular monitoring on the part of the Education officers as well as the school management had resulted in the non-completion of this project on time.

### **Recommendations**

- **The school management should coordinate the constructions works with the contractors to facilitate the early completion of the school.**
- **The school should prepare acquittal reports which is a requirement under Finance Instructions 25(8)**
- **The Ministry should be more vigilant in terms of monitoring capital-assisted projects to ensure that disbursed grants are utilized wisely and completed in a timely manner.**

### **Management Comments**

*This is an EDA Project and as such work should be fast tracked and at times we have to eliminate hurdles by using fund from within the allocation to buy materials like furniture, photocopier, and a generator and gardening tools.*

*This is to allay fears and scepticisms from the Vanua who had been visited and promised that a secondary school was to be provided to provide an avenue for their children to access high education at an affordable cost.*

*EDA Projects are covered under the new initiatives of the Minister to provide students in disadvantaged areas an easy access to education but the money used for such projects comes under certain allocation of the MoE budget. When these are released for use, it took quite sometimes and also it did not fully cover the other aspect of developments like buying of furniture, teaching aids and equipment etc.*

*The utilization of such fund apart from the building of the projects identified and mentioned in the plan came from the common sense and also from the notion that as responsible leaders we need to act and bought materials essential for the project to start. That means we have to utilize fund as per needed  
Fund management came under the scrutiny of the A/PEO-Suva and only such materials that have quotations are approved. For some companies they would need cash than cheque and this is done to such specifications. All purchases made are noted through a special audit which a copy.*

## DELAINAMASI GOVERNMENT SCHOOL

### 18.17 Anomalies in Trust Fund Account

Trust Fund Reconciliation statements for the current month shall be with HQ by the 10<sup>th</sup> of the following months. Duplicate receipts should accompany bank lodgement slips for current accounts together with the month's bank statement.<sup>22</sup> Payment vouchers must be properly kept and stamped for Trust Fund Account.<sup>23</sup>

Audit visit to the school on 5 March 2010 revealed the following anomalies:

- The school failed to prepare and submit its monthly trust fund account reconciliations to the Ministry of Education. Only the Caution Trust Fund Reconciliations from January to April 2009 was prepared and submitted to Head Office.
- Payments made after 9<sup>th</sup> July 2009 could not be verified as there were no payment vouchers prepared.
- For payment vouchers reviewed by audit, no invoices were attached.
- Some improper payments were made during the year. Refer to Table 18.14 for details.

**TABLE 18.14: IMPROPER PAYMENTS FROM TRUST FUND**

Date	Particulars	Payee	Cheque Number	Amount (\$)
04/02/09	Purchase of school tapa	Mr. Epeli Naituivau	2168	100
11/02/09	Expenses for PS's visit	Petty Cash	2172	1,048
16/02/09	Staff visit to a sick member	Mrs. Koro	2178	500
18/02/09	Reguregu for a class 402 parent	Petty Cash	2181	100
26/02/09	Reguregu for Mrs. Vosawai	Petty Cash	2184	500
02/03/09	Purchase of school tapa	Vatulele District School	2188	220
12/03/09	Refreshments for visitors	Petty Cash	2193	300

Discussion with the Head Teacher and the Bursar confirmed that this has been the norm in prior years. They were not aware of the Trust Fund Guidelines and what types of payments are allowed from the Trust Fund accounts.

<sup>22</sup> Ministry of Education, Book Deposit & Caution Fee and General Purpose Trust Fund Guideline, Section 3.0.

<sup>23</sup> Ministry of Education, Book Deposit & Caution Fee and General Purpose Trust Fund Guideline, Section 4.0.

The failure by management to grasp and adhere to the rules and regulation of the Trust Fund accounts had resulted in the abuse and misappropriation of funds as highlighted in the above table.

When funds are not utilized wisely, it deprives the students and teachers certain facilities or resources that could have otherwise been acquired to enhance their learning and teaching capacity respectively.

**Recommendations**

- **The school should prepare all its 2009 trust reconciliations and submit them to Head Quarters for their review.**
- **The Ministry should review this matter and if warranted appropriated action should be instigated against Officers that failed to comply with the Trust Fund Guidelines.**

**Management Comments**

*The DGS issue is forwarded to higher authorities for necessary action. It's an ongoing issue of unavailability of established post to look into management of Trust account and other financial compliance. Letters are forwarded to school Head Teacher in regards to non compliance.*

**18.18 Anomalies in Capital Maintenance Grant**

Where it is necessary to request another agency to perform works or services on the agency’s behalf, the Head of Section may authorise the issue of a Departmental Warrant (DW) to the performing agency to carry put the works or services.<sup>24</sup>

The school was allocated a capital grant of \$45,325 (VIP) in 2009 for the general maintenance to four buildings (61A to 61D) based on the Divisional Engineer (Works) Central/Eastern estimated scope of work. Refer to Table 18.15 for details.

**TABLE 18.15: SCOPE OF WORK**

Departmental Warrant No.	No.	Scope of Work
EDU 09/09 issued to Divisional Engineer (Works) Central/Eastern on 20/04/09.	1	Replace mortice locks, rim locks, night latch, brass hinges and barrel bolt
	2	Replace clear glass, flyscreen frame complete, door frame & ½ round
	3	Replace vata wire and hurricane shutters and fascia board
	4	Replace formica sheet and rubber tiles
	5	Internal and external plumbing
	6	Internal and external painting (1 coat undercoat, 2 coats finishing)
	7	Cleaning up

Physical verification performed by audit on 05/03/10 revealed the following:

- The clear glass, flyscreen frame and vata wires were not replaced in quarters 61A which was occupied by the Head Teacher.
- The quarter’s compound was in an abysmal state. There was evidence of outsiders having drinking party as empty beer bottles were scattered in the compound. Refer to figures 18.5 and 18.6 below for illustration.

<sup>24</sup> Finance Manual 2005, Part 2, Section 2.5.20



Figure 18.5: Empty beer bottles outside empty quarters 61 C



Figure 18.6: Quarters 61 C compound not clean

Delays in the repairs and maintenance of staff quarters could result in further deterioration of the quarters.

### **Recommendations**

- **The school should explain the causes of delay in finalizing the project.**
- **Regular monitoring should be done by the school and the Asset Management Unit to assess the status of the works carried out in order to minimize any delays.**
- **The Asset Management Unit should follow up again with the Ministry of Works for the completion of the repairs and maintenance work on these quarters.**

### **Management Comments**

*The project was finalized on time but the school had to wait for PWD to complete works on Bldg 73 at FCAE before they moved to the school for the maintenance works.*

*Regular monitoring will be carried out in future projects. Letter will be written to Ministry of Works for the completion of repair works.*

## **VEIVATULOA VILLAGE SCHOOL**

### **18.19 Anomalies in Capital and Tuition Grant**

Funds awarded to any school for capital development shall be fully utilized for its primary purpose and that accountability and transparency shall be fully addressed at all levels from the implementation stage, to the project completion and the acquittal.<sup>25</sup> Tuition Fees Grant shall not be donated, loaned or borrowed by any person or organization.<sup>26</sup> All financial records and evidence of transactions shall be kept at the school and made available to officials for scrutiny during their visits.<sup>27</sup> The school shall submit the audited financial report to MOE by the end of February of the following year.<sup>28</sup>

Audit site visit on 10/03/10 noted the following irregularities with respect to the tuition grant:

<sup>25</sup> Policy in Capital Grants for Non Government Schools dated 12/06/04, Policy Objective.

<sup>26</sup> Policy in distribution of Tuition Fees and Supplementary Grant, Guideline 7.1.3.

<sup>27</sup> Policy in distribution of Tuition Fees and Supplementary Grant, Guideline 7.2.2.

<sup>28</sup> Policy in distribution of Tuition Fees and Supplementary Grant, Guideline 7.2.4.

- No documents were available at the school on how the funds were disbursed.
- The former Head Teacher, Mr. Kotoisuva, loaned \$200 from the tuition grant but this was repaid in December 2009.
- The annual audited financial report was not prepared and submitted to Head Office.

The school was also provided with a capital grant of \$8,000 for maintenance and upgrading of boarding facilities. The capital grant together with a tuition grant of \$5,430 was deposited into the school bank account number – ANZ 10348365 on 02/09/09.

In terms of the usage of the capital grant, Table 18.16 below outlines the anomalies noted.

**TABLE 18.16: ANOMALIES IN THE CAPITAL GRANT**

No.	Anomalies
1	No details were entered in cheque butts nos. 156, 158 – 163, 165, 67, 169 – 170, 174 – 176. The cheque butts were crossed implying they had been cancelled. However, the cheque leaves were not attached.
2	There was no payment voucher prepared for the payments made.
3	Labour cost of \$1,080 was paid in full but the contractor did not complete the project. Another contractor was engaged for free to complete the project.
4	On 05/10/09, \$300 was paid to Nasese Bus Company and an additional \$40 was paid to a carrier operator to transport students and teachers to the Zone Meet in Suva.
5	Purchase of toner from Abacus Graphics Limited for \$200.
6	Other payments like purchase of food, soft drinks and snacks were made out of the Capital grant.
7	No quotations were obtained for the purchases/payments done above

The above payments are not in accordance with the Ministry of Education’s capital and tuition grant policies.

When funds are not utilized wisely, it deprives the students and teachers certain facilities or resources that could have otherwise been acquired to enhance their learning and teaching capacity respectively.

### **Recommendations**

- **The Ministry should seek explanation from the school on why they have failed to comply with the Deed Agreement and appropriate actions should be taken against officers responsible.**
- **Regular monitoring needs to be done by the District Education Office on all capital projects being undertaken.**
- **The school needs to provide its audited financial report to Head Office on a timely basis.**
- **Henceforth, the school needs to adhere to the relevant policies of Ministry of Education for Capital and Tuition Fees Grant.**

### **Management Comments**

*The school was visited three times last year during the time was work in progress where we explained to the management of the regulations, yet it came as a surprise that the funds were used as stated in the AG’s Report. This is regard to the grant of \$8,000 for upgrading of a staff quarters to accommodate children coming from Lobau. We monitored the work and collected the receipts but the management had defied the rules and even the Head Teacher was not strong enough to enforce the regulations.*

*In regards to the grant loaned out in the past years by Esekaia Kotoisuva, it was done but it had been paid. He should be taken to task because this had been a practice in the past. Letter to be written to the school to explain*

*why the school did not comply with the Deed of Agreement. School to submit audited financial report to HQ and the District Education office to monitor.*

## BHAWANI DAYAL ARYA COLLEGE

### 18.20 Anomalies in Tuition Free Fee Grant

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.<sup>29</sup>

Under the Tuition Free Fee Grant, the school received \$139,449 in 2009 which constituted 41% of the total income for the school.

The following irregularities were noted:

- The school had not submitted its audited 2009 accounts to Head Office.
- The school loaned \$191,738.34 to the Arya Pratinidhi Sabha (APS), which is the parent body of the school. Only \$69,155 had been repaid by APS as at 31 December 2009.
- There was no surety on the loans and no interests were charged. The details of the loan are provided in Table 18.17 below.

**TABLE 18.17: DETAILS OF LOANS PROVIDED TO ARYA PRATINDHI SABHA**

Month	Amount Loaned (\$)	Amount Repaid (\$)
January	10,000	4,000
February	40,000	0
March	5,000	2,500
April		23,000
May	50,000	3,155
June	7,000	0
July	4,738.34	4,500
August	35,000	6,000
September		3,500
October		18,500
November	40,000	2,000
December		2,000
<b>Total</b>	<b>191,738.34</b>	<b>69,155</b>

Audit could not substantiate how the tuition grants were utilized as the school prepared only one financial report for the entire school operations.

Such practice lacks transparency and accountability and the benefits if any that have accrued to the school and students from the tuition grant paid by the Ministry cannot be ascertained.

#### **Recommendations**

- **The school should prepare separate records showing how the Tuition Free Fee Grants are utilized instead of consolidating it with other expenses incurred by the school.**

<sup>29</sup> Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.1.3.

- **The school should refrain from giving loans from the Tuition Free Fee Grant.**
- **The outstanding amount owing from the Arya Sabha Institution towards the school should also be documented and presented to the Ministry of Education for their information.**

**Management Comments**

- *MoE have already conducted training on Acquittal of Tuition Free Grants*
- *School to have separate acquittal file for Tuition Fees Grant*
- *Letter will be written to Bhawani Dayal to refrain from giving loans from Tuition grant to purposes outside the school*
- *The Sabha to pay back loans taken from the school before any Term 2 & 3 Grant tuition grant is released to the school.*
- *School will not be allowed to carry out any more fundraising activities.*

**LELEAN MEMORIAL SCHOOL**

**18.21 Anomalies in Tuition Free Fee Grant**

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school.<sup>30</sup> The school shall submit the audited financial report to MOE by the end of February of the following year.<sup>31</sup>

Under the Tuition Free Fee Grant, the school received \$201,666 in 2009. Audit visit to the school on 08/03/10 noted the following anomalies:

- The school accounts were not audited since 2008.
- The school paid salaries and wages for some of its staffs from the tuition grant. . Refer to Table 18.18 below for details.
- FNPF payments for these staffs were also sourced from the tuition grant. Four of these staffs did not have any FNPF numbers which means that the school had failed to adhere to the FNPF requirements of registering all workers which they employ.

**TABLE 18.18: PAYMENTS MADE FROM TUITION GRANT**

No.	Name	FNPF Number	Position	Amount Paid (\$)
1	Ray Smith	2317980	Computer Teacher	623.80/ fortnight
2	Reverend Mavaii	0816703	Religion Teacher	384.62/ fortnight
3	Sainimili Baisaqa	1520649	Religion Teacher	238.79/ fortnight
4	Josefa Bola	N/A	Religion Teacher	86.58/ fortnight
5	Alena Savakiono	N/A	Religion Teacher	86.58/ fortnight
6	Kaliova Tunabuna	1611777	Computer Teacher	500.00/ fortnight
7	Ateca Keresoni	N/A	Computer Teacher	180.00/ fortnight
8	Niumai Vinanatoga	N/A	Helper- Religion Teacher	30.00/ week

The school would have used approximately \$38,490 from the tuition fees grant if the above staffs were employed throughout the year.

<sup>30</sup> Policy in distribution of Tuition Fees and Supplementary Grant, Guideline 7.1.2.

<sup>31</sup> Policy in distribution of Tuition Fees and Supplementary Grant, Guideline 7.2.4.

When funds are not utilized for the purpose they were meant to serve, it deprives the students and teachers certain facilities or resources that could have otherwise been acquired to enhance their learning and teaching capacity respectively.

### **Recommendations**

- **The school should be warned against the use the tuition free fees grant for purposes other than those stated in the agreement.**
- **A thorough review needs to be conducted by the Ministry to ensure transparency and accountability in the utilization of public funds.**
- **The school should comply with the requirements of the Fiji National Provident Fund by registering all their staffs/workers with them.**

### **Management Comments**

*Letter will be written to the school to submit audited financial accounts 2008 & 2009 otherwise tuition Term 2 & Term 3 fee free grant will not be released.*

*School should submit acquittal for MoE priorities on the utilization of Tuition Fees Grant as stipulated in Grant Circular 2009.*

*School will be reminded to comply with the requirements of FNPF on registering all their staff/workers in the school.*

## **SILA CENTRAL HIGH SCHOOL**

### **18.22 Anomalies in Trust Fund**

Payments shall comprise of those outlined in the Trust Fund Guideline and any other expenses approved by the Permanent Secretary for Education.<sup>32</sup> Reconciliation statements for the current month shall be with HQ by the 10<sup>th</sup> of the following months.<sup>33</sup>

The school maintained three types of Trust Fund Accounts. These were Book Fees, General Purpose and Canteen Account. Audit site visit on 09 March 2010 revealed the following anomalies:

- The school failed to prepare the ‘Canteen Account Trust Fund’ reconciliation for the months of September to December 2009.
- The school made some payments from the Trust Fund Account which did not comply with the Trust Fund Guidelines. Refer to Table 18.19 for details.
- No quotations were obtained for some of the purchases made. For example, purchase of walkway materials were all made from Carpenters Hardware while all electrical maintenance works were carried out by Simplex Electronics.

**TABLE 18.19: ANOMALIES IN TRUST FUND ACCOUNTS**

Date	Cheque No.	Particulars	Trust Type	Payee	Amount (\$)
12/03/09	915	Electrical maintenance to classrooms and special rooms	Book Fees	Simplex Electronic	321.00

<sup>32</sup> Ministry of Education, Caution Fee and General Purpose Trust Fund Memo dated 22/01/09, Section 1.4

<sup>33</sup> Ministry of Education, Caution Fee and General Purpose Trust Fund Memo dated 22/01/09, Section 3.0

Date	Cheque No.	Particulars	Trust Type	Payee	Amount (\$)
27/03/09	925	Board of Governors Meeting Sitting Allowance	Book Fees	Mr. Navitalai Maravu	240.00
12/06/09	946	Purchase of walkway materials	Book Fees	Carpenters Hardware	129.45
17/06/09	949	Supply of half load gravel to school	Book Fees	Waimanu Trucking Ltd	100.00
18/08/09	701	Farewell party for retirees expenses	Canteen	Mr. Luke Tunabuna	448.00
18/08/09	702	Tadra Kahani expenses	Canteen	Mr. Epi Rawalai	350.00
11/03/09	1094	Catering expenses for staff for 2009 interhouse and for project heaven personnel visit to school	General Purpose	Mrs. Sera Nodrakoro	318.00
12/06/09	1343	MOE Inspection Visit Catering	General Purpose	Mrs. Naululoa	113.70
29/12/09	1422	Funeral expenses to Mr. Kesani Rabo (Board of Governors Member)	General Purpose	Mr. Peni Bolatolu	235.00

As evident in the table above, the Trust Fund Accounts have been misappropriated and utilized for other purposes.

When funds are not utilized for the purpose they were meant to serve, it deprives the students and teachers certain facilities or resources that could have otherwise been acquired to enhance their learning and teaching capacity respectively.

### **Recommendations**

- **The school should immediately prepare all its 2009 trust fund account reconciliations and submit them to Ministry of Education's headquarters.**
- **The Ministry should investigate this matter and if warranted, appropriated action should be instigated against officers that failed to comply with the Trust Fund Guidelines.**

### **Ministry's Comments**

*The recommendations are noted. 2009 reconciliations have been updated and submitted to Head quarters. The bursar determines which of the trust fund accounts to be used for the purchases mainly depending on each accounts current balance.*

*An investigation will be carried out and the report will be forwarded to your Office. Copies of guidelines have been issued to Principal as well.*

## **WAIDINA SECONDARY SCHOOL**

### **18.23 Incomplete Teacher's Quarters**

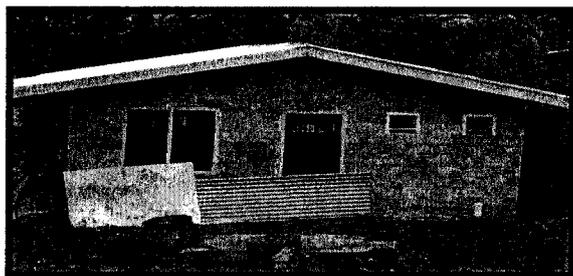
All projects should be completed within nine months in which the building grant was approved. Any outstanding project is deemed to have lapsed and the balance of the grant forfeited.<sup>34</sup>

The school was awarded a capital grant of \$30,000 in 2007 for the construction of a teacher's quarters and upgrading of classrooms.

<sup>34</sup> Education (Grants and Assistance to Non-Government Schools) Regulations, 1966, Rule 17  
Ministry of Education

A site visit undertaken on 31/03/10 revealed the following:

- The construction of the teacher’s quarters was incomplete. Refer to Figure 18.7.
- The school failed to seek prior approval from the Town and Country Planning for this project.
- Even though the classrooms were upgraded, no acquittal report was made available by the school.
- Bank statements for the Development Account were not available thus it was not possible to verify the balance of the capital grant.
- The Principal advised that the delay was due to the non-ability of the school to secure a lease (title) on the project site.



**Figure 18.7: Teacher's Quarters still under construction**

The immense delay in commissioning such capital project may have an adverse effect on the teacher’s role and well being and consequently this could have a flow on effect to the students.

### **Recommendations**

- **The Ministry of Education should work together with the landowners and NLTB in securing a lease on the land on which the staff quarters is constructed.**
- **The school management should closely monitor the capital projects and if necessary seek help from villagers/community to assist in the construction work.**

### **Management Comments**

*The Ministry of Education had received a Lease Offer Letter for the school in 2005 and had paid the lease premium of \$5,000. The school lease had been secured, according to our records.*

*Community's lack of support for the school has been an on-going issue due to the differences within the Vanua. The Ministry of Education will conduct community awareness in education to the stakeholders of the school.*

## **18.24 Anomalies in IPSP Grant and Tuition Fees Grant**

The award must not be used for any other purpose but only for the purpose that grant was awarded for.<sup>35</sup> The school shall submit the annual financial report by the end of February of the following year.<sup>36</sup>

Under the IPSP Grant, the school was awarded a grant of \$18,500. Refer to details in Table 18.20.

<sup>35</sup> Ministry of Education – Grant Award Conditions

<sup>36</sup> Policy in Distribution of Tuition Fees and Supplementary Grant. 7.0 Guideline.

**TABLE 18.20: DETAILS OF IPSP GRANT**

Allocation	Budgeted (\$)	Actual (\$)	Anomalies/Comments
Computers	5,000	3,200.00	Only 2 sets of computers and a printer were purchased. The balance of \$1,800 was used to purchase a Yamaha generator from Asco Motors
Yamaha generator	-	1,800.00	Balance from the \$5,000 allocated for computers used to purchase the generator
TVET Tools	3,500	3,600.00	School used \$100 extra from their own funds
Upgrading of Classrooms	10,000	10,437.62	School used \$437.62 extra from their own funds
<b>Total</b>	<b>18,500</b>	<b>19,037.62</b>	

Additionally, the following extraordinary payments were made out of the IPSP grant:

- \$93 was used for the purchase of fuel for the generator and \$100 was used for transportation/cartage cost from TVET allocation but without a receipt or invoice attached.
- \$48.90 was used for purchasing materials from Vinod Patel and \$1,800 was paid for labour cost for classrooms upgrading allocation but without a receipt or invoice attached

Apart from the IPSP grant, the school was also awarded a Tuition Free Fees Grant of \$48,618 in 2009. Audit noted the following anomalies:

- The school did not submit the 2009 audited financial report to the Ministry.
- Audit could not verify any payments from tuition grant because there were no payment vouchers available at the school.

The failure of the school management to comply with the requirements of the IPSP and Tuition fee grant could have an effect on the quality of education provided by teachers as well students learning capacity.

### **Recommendations**

- **The Ministry should obtain explanation from the school for failing to comply with the Deed Agreement.**
- **The school should submit acquittal report with supporting documents like receipts and invoices as per requirement.**
- **The school should refrain from abusing the grant monies for inappropriate expenditures.**
- **The Ministry should ensure transparency and accountability in the utilization of public funds.**

### **Management Comments**

*Letter to be written to the school to explain why schools did not comply with the Deed Agreement. School has provided acquittals for \$18,500 to Nausori Office.*

*Training on the proper acquittal of grants and grant policy have been conducted for school management and Principals in May 2010.*

*Circular has already been sent to schools about the proper utilization of grants and MoE priority areas on the utilization of Tuition Grant.*

## NAITASIRI PROVINCIAL HIGH SCHOOL

### 18.25 Anomalies in Capital Grant

Where required under Finance Instruction 25-(8), the recipient should prepare an acquittal report. The acquittal report shall provide the following information:

- i. details of grant money expended and unexpended;
- ii. grant objectives and targets achieved;
- iii. financial statement (audited if practicable) for grants of \$20,000 or more.<sup>37</sup>

The school was awarded a capital grant of \$30,000 in 2008 for the construction of a girl’s hostel. As part of the building grant regulation, 80% of the grant amounting to \$24,000 was paid to the school on 13/10/08. Audit site visit on 31/03/10 revealed that some works were still outstanding. Refer to Table 18.21 and figures 18.8 – 18.11 below.

**TABLE 18.21: ANOMALIES IN CAPITAL GRANT**

No.	Anomalies
1.	The hostel was incomplete. 13 students were occupying one-half of the building. The other half was incomplete. (Refer to figure 18.11)
2.	Washing tubs has not been installed (Refer to figure 18.10)
3.	Bathroom entrance was not paved (Refer to figure 18.8)
4.	Electricity was not installed.
5.	The Principal advised that \$6,000 was used from the tuition grant to pay for the labor cost and materials for this project. The labourers were the vocational students specializing in Carpentry and Joinery.
6.	No acquittals report was provided by the school



**Figure 18.8: Bathroom Entrance was not completed**



**Figure 18.9: Bathroom was not completed**

The Principal confirmed that the delay was due to the failure of the school management to economically utilize the capital grant disbursed by Ministry.

<sup>37</sup> Finance Manual 2005, Part 3, Section 3.3.1



Figure 18.10: Washtub not installed

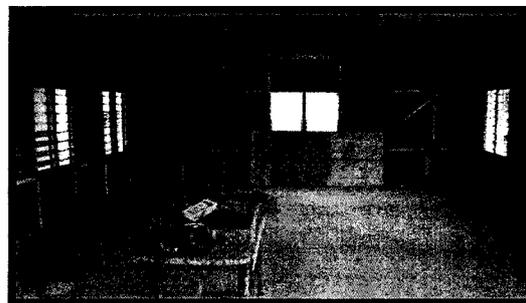


Figure 18.11: Second half of the Dorm – Incomplete

The delay in completing such capital project may have an effect on the productivity of the students as they are being deprived of resources which could enhance their learning capacity.

### Recommendations

- **The Ministry should obtain explanation from the school for failing to comply with the Deed Agreement.**
- **The District Education Office should be more vigilant in terms of monitoring capital projects and must ensure that projects are fully completed and funds are properly utilized.**
- **The school should submit the acquittal report as per grant requirement for transparency and accountability.**
- **Ministry of Education should not entertain delayed capital projects and should incorporate a forfeiture clause in the agreement if delay exists beyond the nine-month period.**

### Management Comments

*Letter will be written to the school to explain why they did not comply with the Deed Agreement. The District to be more vigilant in the monitoring of implementation of Capital projects and ensure that it is according to plan and within the timeline for the project. The School is to submit proper acquittal for the Capital Project.*

## **18.26 Anomalies in Tuition Fee Grant**

Tuition fees grants shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned or borrowed by any person or organization. It shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant identified by MOE. All financial records and evidence shall be kept at the school and made available for scrutiny by any authorized officer. The school shall submit the annual financial report by the end of February of the following year.<sup>38</sup>

The school was awarded a Tuition Fees Grant of \$87,232 in 2009. Audit noted anomalies in the tuition free fee grant as confirmed by the school Principal. Refer to Table 18.22 for details.

**TABLE 18.22: ANOMALIES IN TUITION GRANT**

No.	Anomalies
1.	2009 annual audited accounts have not been submitted to HQ. The Treasurer had apparently taken all the receipts and payment vouchers and was not willing to return it.

<sup>38</sup> Policy in Distribution of Tuition Fees and Supplementary Grant, 7.0 Guideline.

No.	Anomalies
2.	\$6,000 was used from tuition grant in the construction of the girls' hostel. The hostel is still incomplete.
3.	\$10,000 from the tuition grant was used by the Manager of the school Ratu Isoa Robalenaivalu for his dalo plantation. The money was withdrawn by the Manager without the knowledge of the Principal and has not been recovered.

It is evident that the school management had misused/abused the tuition grants. When funds are not utilized for the purpose they were meant to serve, it deprives the students and teachers of certain facilities or resources that could have enhanced their learning and teaching capacity respectively

### **Recommendations**

- **The school management should submit an audited financial report to Headquarters.**
- **The school should refrain from abusing the grant monies for inappropriate expenditures.**
- **The Ministry should seek an acquittal report from the school to ensure transparency and accountability in the utilization of public funds.**
- **The \$10,000 allegedly misused by the school manager should be taken up with appropriate authorities.**

### **Management Comments**

*A letter will be written to the School Management to submit audited financial report to the MoE. A team from Secondary and AMU to be set up to carry out investigation on individuals allegedly implicated in the mismanagement of tuition grants and school funds.*

*Discrepancies identified by the Auditor and the investigation officers may recommend that the Permanent Secretary to institute disciplinary action or legal proceedings against the schools or individuals implicated as stipulated in Grant policy 7.2.7*

## **INDIAN COLLEGE**

### **18.27 Anomalies in Tuition Grant**

Tuition fees grants shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant identified by MOE. All financial records and evidence shall be kept at the school and made available for scrutiny by any authorized officer. The school shall submit the annual financial report by the end of February of the following year.<sup>39</sup>

The school received \$136,639 as Tuition Grant in 2009. After perusing the 2009 un-audited financial statements of the school, we have determined that apart from the tuition fee grant, the other income generated by the school was from students' school fees, admission fees etc which totalled \$240,906.

However, we noted that the school spent \$338,868.23 in 2009 for the construction of the school hall and that part of the tuition fee grant has been used up in the process. This was evident by the fact that the school's bank account had an overdraft balance of \$72,613.76 as at 31/12/09.

<sup>39</sup> Policy in Distribution of Tuition Fees and Supplementary Grant, 7.0 Guideline.

The other audit observation was that during our visit on 04/03/10, the school had still not submitted their audited financial accounts to the Ministry of Education and we were advised that their auditors were still auditing their books.

Based on the schools total income for the year and the amount spent on the construction of the school hall plus the bank overdraft balance, it is evident that the school management may have misused the tuition grants.

When funds are not utilized for the purpose they were meant to serve, it deprives the students and teachers of certain facilities or resources that could have enhanced their learning and teaching capacity respectively.

### **Recommendations**

- **The school management should submit the audited financial report to Headquarters in a timely manner.**
- **A separate reconciliation or financial statement should be prepared for the tuition fee grant.**
- **The school should refrain from abusing the Tuition Fee Grant for inappropriate expenditures.**
- **The Ministry should request for an acquittal report to ensure transparency and accountability in the utilization of public funds.**

### **Ministry's Comments**

*A letter will be sent to the school to submit audited report 2009 and failure to do so will result in the Term 2 and Term 3 grant to be withheld.*

*The school will be instructed to have separate acquittal file for the Tuition Fees Grant. School not to be allowed to carry out any fundraising activities*

## **NABUA MATUA PROGRAM**

### **18.28 Anomalies in IPSP Grant**

The award must not be used for any other purpose but only for the purpose that grant was awarded for.<sup>40</sup> Where required under Finance Instruction 25-(8), the recipient shall prepare an acquittal report. The acquittal report shall provide the following information:

- i. details of grant money expended and unexpended;
- ii. grant objectives and targets achieved;
- iii. financial statement (audited if practicable) for grants of \$20,000 or more.<sup>41</sup>

The Nabua Matua Program received \$37,000 for its IPSP grant and from our audit site visit on 04/03/10 some anomalies were noted. Refer to Table 18.23 below.

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<sup>40</sup> Ministry of Education – Grant Award Conditions

<sup>41</sup> Finance Manual 2005, Part 3, Section 3.3.1

**TABLE 18.23: ANOMALIES IN IPSP GRANT**

Items	Allocations (\$)	Actual (\$)	Variance (\$)	Comments
Text Books	5,000	5,329.20	(329.20)	Purchase of Social Science Text Books from University Book Centre \$735.35 – no receipt or invoice available.
Computers	5,000	5,030.00	(30)	Purchase of 10 sets of computers from Biz Com \$5,030.00 - no receipt or invoice available.
Library Books	5,000	3,251.80	1,748.20	Purchase of library books from Office Force Stationeries \$2,465.05 and from University Book Centre \$786.75 - no receipt or invoice available.
Science Equipment	2,000	2,000	0	Equipments purchased from Kak's Marketing
Maintenance and upgrading of special rooms	10,000	10,362.25	(362.25)	Under payment voucher 446, the school purchased six sets of computers.
Upgrading of Other Buildings	10,000	10,613.30	(613.30)	Items have been purchased and works are currently in progress.
<b>Total</b>	<b>37,000</b>	<b>36,586.55</b>	<b>413.45</b>	

The failure of the school management to comply with the IPSP requirements could have an effect on the quality of education provided and at the end of the day, the students' academic performance could also be affected.

### **Recommendations**

- **The Ministry should obtain explanation from the school for failing to comply with the Deed Agreement.**
- **The school should utilize the IPSP Grant according to the policies set by the Ministry of Education.**
- **The school should provide acquittals for the IPSP Grant and submit to Ministry of Education in a timely manner.**
- **The District Education Office should follow up on the balance of the unutilized grant amounting to \$14,704.23.**

### **Ministry's Comments**

*A letter to be sent to the school to submit acquittal for the \$14,704.23 unaccounted for and an explanation why the school failed to comply with the deed agreement. The District Office is to follow it up.*

## **DAV COLLEGE - NABUA**

### **18.29 Anomalies in Tuition Grant**

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.<sup>42</sup>

The school received \$125,148 in 2009 for the Tuition Free Fee Grant. Audit noted the following irregularities:

<sup>42</sup> Policy in distribution of Tuition Fees and Supplementary Grant, Guideline 7.1.3.

- The school loaned \$123,750 to the Arya Pratinidhi Sabha (APS), which is the parent body of the school of which only \$74,500 has been repaid.
- There was no surety on the loans and also no interests were charged. Refer to Table 18.24 for details.

**TABLE 18.24: DETAILS OF LOANS PROVIDED TO APS**

Month	Loan Amount (\$)	Repaid Amount (\$)
January	10,000	4,000
February	10,000	0
March	5,000	6,000
April	25,375	4,500
May		2,000
June		10,000
July		16,500
August	38,375	3,000
September		5,500
October		21,500
November	35,000	1,500
December		0
<b>Total</b>	<b>123,750</b>	<b>74,500</b>

Audit could not substantiate how the tuition grants were used as the school prepared only one financial report for the entire school operations. Such practice lacks transparency and accountability and the benefits if any that may have accrued to the school and students from the tuition grant paid by the Ministry cannot be ascertained.

**Recommendations**

- The school should prepare separate records of how the Tuition Free Fee Grants are utilized.
- The school should refrain from giving loans from the Tuition Free Fee Grant.

**Management Comments**

*The Monitoring tuition grants presentation was done to address this issue to Principals and Bursars.*

**LAUCALA BAY SECONDARY SCHOOL**

**18.30 Anomalies in Trust Fund Account**

Trust fund reconciliation statements for the current month shall be with Ministry of Education Head Quarters by the 10th of the following months.<sup>43</sup> All payments shall be in accordance with the laid down rules and regulations of the General Purpose Trust Fund policies.<sup>44</sup> For any purchases made over \$100.00, three quotations must be obtained and the cheapest and best source accepted.<sup>45</sup>

Audit noted some anomalies in the school’s Trust Fund Account. Refer to Table 18.25 below.

<sup>43</sup> Ministry of Education trust Fund Guidelines of 22/01/09, Rule number 3.0

<sup>44</sup> Ministry of Education trust Fund Guidelines of 22/01/09, Rule number 1.4

<sup>45</sup> Ministry of Education trust Fund Guidelines of 22/01/09, Rule number 2.0

**TABLE 18.25: ANOMALIES IN TRUST FUND ACCOUNTS**

Cheque No.	Date	Particulars	Amount (\$)	Anomalies
2823	26/03/09	Condolence contribution towards the death of a Form 6 student's father.	50	Not in line with the Trust Fund rules and regulations.
2851	07/04/09	Purchase of galvanized chain link from Vinod Patel	393	Quotations not attached.
2935	21/08/09	Printing of 22 school t-shirts and vests	100	No documents were attached to the payment voucher.
2941	21/09/09	Condolence contribution towards Librarian's father-in-law's death	50	Not in line with the Trust Fund rules and regulations.
2943	23/09/09	Hotel accommodation, meals and traveling expenses for the 104 <sup>th</sup> conference of Fiji Principals Association	288	No invoice, receipts, or subsistence claim form attached.
2944	01/10/09	Condolence contribution towards Form 6 student's father's death	50	Not in line with the Trust Fund rules and regulations.

In addition, the school did not submit the General Purpose and Caution Fee Trust Fund reconciliation statements from September 2009 to December 2009. It is evident that the school did not adhere to the rules and regulations of the Trust fund account resulting in the abuse and misappropriation of funds.

### **Recommendations**

- **The school should immediately prepare its 2009 trust fund account reconciliations and submit them to Headquarters.**
- **The Ministry should consider the merits of this type of unwarranted spending and appropriate action should be instigated against officers who failed to comply with the Trust Fund Guidelines.**

### **Management Comments**

*The recommendations are noted and reconciliations will be submitted to Headquarters on monthly basis. Condolence funding will now be provided by the PTA. Proper documentation will be attached forthwith with vouchers for payments made from trust fund.*

### **18.31 Anomalies in Capital Grant**

Where it is necessary to request another agency to perform works or services on the agency's behalf, the Head of Section may authorise the issue of a Departmental Warrant (DW) to the performing agency to carry put the works or services.<sup>46</sup>

The school was awarded a capital grant of \$27,398 for tiling of the ablution blocks that consisted of:

- Staff toilets (male/female)
- three boys toilets and
- three girls toilet.

The scope of works was provided by Public Works Department (PWD) on 25/02/09 and a Departmental Warrant (DW) number EDU 05/09 was issued to PWD on 20/04/09 to carry out this job. Refer to Table 18.26 for details.

<sup>46</sup> Finance Manual 2005, Part 2, Section 2.5.20

**TABLE 18.26: SCOPE OF WORKS**

Scope of Works	Total Cost (\$)	Comments / Observations
Chipping of floor and walls	27,398(VIP)	Completed
Laying of 200 x 200 glazing tiles to walls		Walls not tiled. Refer to Figures 18.12 – 18.14.
Laying of 200 x 200 non slip quarry tiles		The floor of the female staff toilet was incomplete and the floor on the girls ablution block was not tiled. Refer to Figures 18.14 – 18.16.
Cleaning Up		Completed

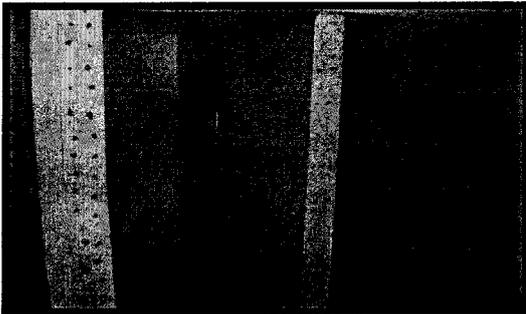


Figure 18.12: Boys Bathroom – Block 1



Figure 18.13: Boys Toilet – Block 1



Figure 18.14: Female Staff Toilet not fully tiled



Figure 18.15: Girls Toilet – Block 1

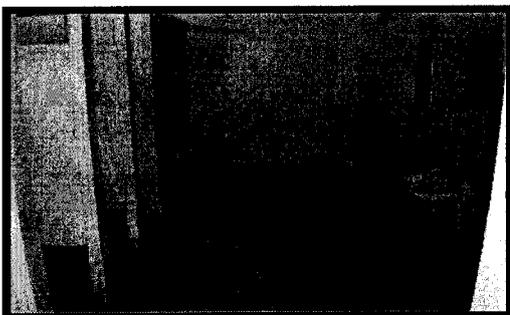


Figure 18.16: Girls Toilet – Block 2

The non completion of the above projects can be attributed to poor planning and inaccurate cost estimates made by PWD and the lack of monitoring by Ministry of Education.

If the projects are not completed properly, it could cause health hazards and risks to both staffs and students. OHS standards could be compromised thus; the school could be liable to damages or fines under the OHS Act.

### **Recommendations**

- **The Ministry of Education should ensure that PWD performs a detailed and accurate costing for all capital projects so that the correct level/amount of funding are deployed to finance the projects.**
- **Regular monitoring needs to be done by the District Education Office for all capital projects.**
- **The school management should raise or source funds from other avenues in order to complete the outstanding works highlighted above.**

### **Management Comments**

*PWD has submitted requests for additional funding of \$4,830 to complete the works. Ministry of Education has submitted an RIE for the above.*

## **SUVA GRAMMAR SCHOOL**

### **18.32 Anomalies in Trust Fund Account**

Payments shall comprise:

1. refunds to the students
2. purchase of library, text books and equipment for schools
3. maintenance of furniture/equipment
4. any other expenses approved by the CEO for Education.<sup>47</sup>

Audit noted that the school's Book Deposit Trust Fund Account was being utilised to make various extraordinary payments/purchases. Summarised in Table 18.27 below are some of the major payments made while a detailed analysis is shown in *Appendix 18.5*.

**TABLE 18.27: SAMPLE OF EXTRAORDINARY PAYMENTS MADE**

<b>Cheque No.</b>	<b>Date</b>	<b>Particulars</b>	<b>Amount (\$)</b>	<b>Anomalies</b>
4468	20/01/09	Purchase of 100 swim bags from Duncan Industrial	450	• Payment not in line with the trust fund policy.
4544	23/02/09	Purchase of sports equipment from J R White	410	
4575	05/03/09	Purchase of sports equipment from J R White	379	• Total payment for sport related
4637	06/04/09	Purchase of school athletes uniforms		

<sup>47</sup> Ministry of Education Book Deposit Trust Fund Guideline dated 22/01/09, Rule number 1.4

Cheque No.	Date	Particulars	Amount (\$)	Anomalies
4679	29/04/09	from Intimate Apparel Purchase of athletes uniforms from Intimate Apparel	1,500 2,000	equipments and uniforms amounted to \$4,739
4518	12/02/09	Purchase of 35 Back Packs from Duncan Industrial	455	<ul style="list-style-type: none"> <li>• Payment not in line with the trust fund policy</li> <li>• Total purchase amount for 100 back packs amounted to \$1,300</li> <li>• The funds were recovered through the sale of the back pack bags</li> </ul>
4519	12/02/09	Purchase of 35 Back Packs from Duncan Industrial	455	
4525	16/02/09	Purchase of 30 Back Packs from Duncan Industrial	390	
4645	09/04/09	Purchase of Coco Cola Games tickets for 2009	3,300	<ul style="list-style-type: none"> <li>• Payment not in line with the trust fund policy.</li> <li>• Total cost of tickets was \$8,900</li> <li>• The funds were recovered through the sale of the tickets</li> </ul>
4647	14/04/09	Purchase of Coco Cola Games tickets for 2009	4,600	
4672	29/04/09	Purchase of Coco Cola Games tickets for 2009	1,000	
4554	25/02/09	Hire of Bus from Nasese Bus Co. to transport rugby team to Lautoka	800	Payment not in line with the trust fund policy
4559	27/02/09	Hire of five tents during Inter-house competition from Tents & Awnings	1,500	Payment not in line with the trust fund policy

It is evident that management have gross ignorance of the rules and regulation of the trust fund account resulting in the abuse and misappropriation of funds as highlighted above.

The school had been committing funds for activities that are not covered by the grant and there would be losses incurred if the tickets or bags get stolen or destroyed before they are sold to students.

When funds are not utilized for the purpose they were meant for, it could possibly deprive the students and teachers of certain facilities or resources that could have been acquired to enhance their learning and teaching capacity respectively

### **Recommendations**

- **The school should immediately prepare all its 2009 trust fund reconciliations and submit them to Headquarters.**
- **The school should provide evidence that the funds deployed to purchase Coca Cola games tickets and sports uniforms/equipments have been recovered in full from teachers and students,**
- **The Ministry should scrutinise this matter and if warranted appropriate actions should be instigated against officers who deviated from the Trust Fund Guidelines.**

### **Management Comments**

*The recommendations are noted. With regards to the highlighted extraordinary payments made, all payments were approved and authorized by the former Principal, Mr Ilikimi Kunagogo.*

*The Coca Cola tickets were sold to the students and the money have been reimbursed into the Trust Fund Account. School has been requested to do a spreadsheet and submit to Headquarters.*

*All 2009 Trust Fund Reconciliations were submitted to Head Quarters.*

## NATОВI CATHOLIC PRIMARY SCHOOL

### 18.33 Absence of proper Staff Room

In every school, a common room shall be provided for the staff and in every school of more than 150 pupils, a separate room shall be provided for the Head Teacher or Principal.<sup>48</sup>

Natovi Catholic Primary School received a Tuition Grant of \$4,354 in 2009 and an audit visit on 24/03/10 revealed the following:

- The school staff room was in a poor condition and it appeared more like a silhouette. What was once used as an office was ragged because of the cyclone devastation. Refer to Figures 18.17 – Figures 18.19.
- The teachers were facing inconvenience as they were using the classroom veranda to conduct school meetings and other normal school activities.
- There was no library in the school for the students to use.

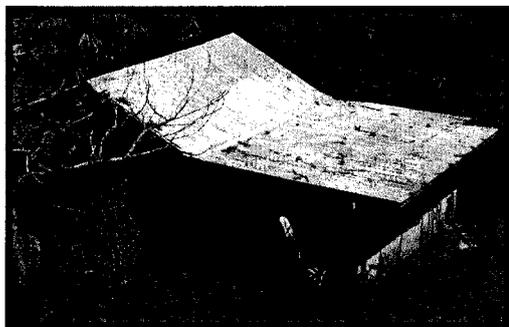


Figure 18.17: The staffroom from the hilltop

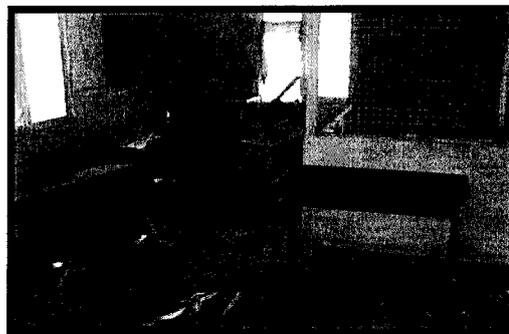


Figure 18.18: Interior of the staffroom



Figure 18.19: The staffroom – side view

<sup>48</sup> Education (Establishment and Registration of schools) Regulations 1966, Physical Conditions Required for the Registration of a School, Section 5.

With improper and poor facilities/ resources available, this could have an unfavourable impact on teachers' abilities and there could be flow on effect on students' academic performance.

### **Recommendations**

- **The school management and the Ministry of Education should seek funding to carry out repairs and maintenance of the staffroom as well as the construction of a library for the school.**
- **The Ministry of Education should constantly monitor committee run schools to ensure that all the necessary facilities are available for students and teachers.**

### **Ministry's Comments**

*Recommendations are noted. The school did not request for building grants hence were not considered. In 2010, the school will need to submit their request for building grants to Commissioner Central Office whom from this year the building grants have been released to through the DEO so that facilities identified to be upgraded in 2011.*

## **DAWASAMU SECONDARY SCHOOL**

### **18.34 Anomalies in IPSP and Tuition Fees Grant**

The recipient of a grant shall prepare an acquittal report which shall consist of details of grant money expended and unexpended; grant objectives and targets achieved; and financial statement (audited if practicable) for grants of \$20,000 or more.<sup>49</sup> Tuition fees grants shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant identified by MOE. The school shall submit the annual financial report by the end of February of the following year.<sup>50</sup>

The school was provided with Tuition Fees Grant of \$43,248 in 2009. Apart from the non-submission of the 2009 annual audited accounts to the Ministry of Education, audit's visit to the school on 24/03/10 revealed that the school had utilised the Tuition fee grant for other purposes. This was confirmed by the Principal. Refer to Table 18.28 for details.

**TABLE 18.28: USE OF TUITION FEES GRANT**

<b>Details</b>	<b>Approximate Amount (\$)</b>
Staff Quarters. [Refer <b>Figures 18.20</b> for illustration]	22,000
Salaries for clerk	2,200
Labour Costs for Maintenance and Upgrading works in the school	6,000
<b>Total</b>	<b>30,200</b>

<sup>49</sup> Finance Manual 2005, Part 3, Section 3.3.1

<sup>50</sup> Policy in Distribution of Tuition Fees and Supplementary Grant, 7.0 Guideline.



**Figure 18.20: Tuition Fees Grant was used to build this Quarter**

The school was also granted an IPSP grant of \$42,500 in 2009 and audit noted that part of the grant was used for other purposes other than what it was meant for. Refer to Table 18.29 for details.

**TABLE 18.29: USE OF IPSP GRANT**

Items	Allocations (\$)	Actual (\$)	Variance (\$)	Anomalies if any
Text Books	6,000	5,985	15	Receipts or invoices were not available.
Science Equipment	3,000	3,025.90	(25.90)	Receipt no. 52851 from Gremm Chemicals was available.
TVET Tools	3,500	1,000	2,500	Receipts or invoices were not available.
Computers	5,000	3,449	1,551	Invoice no. 801005850 from Office Products available.
Library Books	5,000	5,000	-	Receipts or invoices were not available.
Maintenance & Upgrading of Special Rooms	10,000	8,000	2,000	Receipts or invoices were not available.
Upgrading of Other Buildings	10,000	10,000	-	Receipts or invoices were not available.
<b>Total</b>	<b>\$42,500</b>	<b>36,459.90</b>	<b>6,040.10</b>	

Apart from the above anomalies in spending, the school could not provide all the IPSP grant acquittals and neither could they supply us with copies of bank statements to verify whether a balance of \$6,040.10 is still left in the account.

The failure of the school management to comply with the requirements of the IPSP and Tuition fee grants respectively could have an adverse effect on the quality of education and students academic performance.

### **Recommendations**

- **The school should prepare an acquittal report as per the terms/requirement of the grant.**
- **The District Education Office needs to regularly monitor how schools are utilizing the government grants.**
- **Appropriate actions needs to be taken if the school is found guilty of misusing the government grants.**

### **Management Comments**

*The school had utilized the Tuition Grant on projects the school had identified with the Ministry (7.1.5) on ensuring that quality education is provided as stipulated in Grant policy 7.1.2 and 7.1.5 below. A staff quarter was necessary to attract and accommodate teachers (human resources) who are the crucial component of the teaching and learning process.*

*The school management and the school principal have already been trained on the grant policy and the proper acquittal of grants.*

*The school to submit acquittal for IPSP and tuition grant in separate files.*

## **KOROVOU METHODIST KINDERGARTEN**

### **18.35 Acquittals of Capital Grant**

The recipient of a grant shall prepare an acquittal report, which shall consist of details of grant money expended and unexpended; grant objectives and targets achieved;<sup>51</sup>

Audit visit on 24/03/10 to the kindergarten noted that the school failed to provide an acquittal report of the \$3,000 capital grant disbursed by the Ministry. The teacher's cannot ascertain if the grants were properly utilised because the school manager is the only person who has adequate knowledge of the use of the capital grant.

Failure to provide acquittals implies the school may have misused the government grants on expenditures not related to the project.

### **Recommendations**

- **The school should prepare an acquittal report as per the terms/requirement of the grant.**
- **The District Education Office needs to regularly monitor how schools are utilizing the government grants.**
- **Appropriate actions needs to be taken if the school is found guilty of misusing the government grants.**

### **Ministry's Comments**

*The school is to submit proper acquittal of the \$3,000 grant provided. The District Education office will be instructed to follow it up and ensure that it is carried out.*

## **GALOA KINDERGARTEN**

### **18.36 Update on Capital Grant**

The recipient of a grant shall prepare an acquittal report, which shall consist of details of grant money expended and unexpended; grant objectives and targets achieved;<sup>52</sup>

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<sup>51</sup> Finance Manual 2005, Part 3, Section 3.3.1

<sup>52</sup> Finance Manual 2005, Part 3, Section 3.3.1

The kindergarten was awarded a capital grant of \$3,000 for classroom and ablution upgrading in 2009. Audit visit to the kindergarten on 11/03/10 revealed:

- The kindergarten had not undergone any capital works. Refer to Figures 18.21 – Figures 18.24.
- There were no acquittal reports lodged
- The school committee could not explain how the \$3,000 was used.

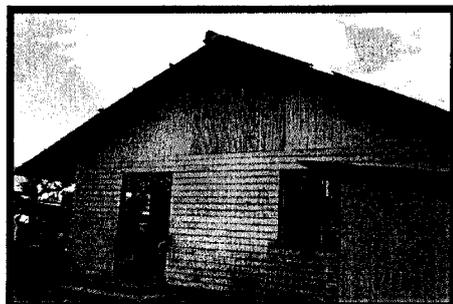


Figure 18.21: The Galoa Kindergarten



Figure 18.22: The Galoa Kindergarten



Figure 18.23: Inside the Kindergarten

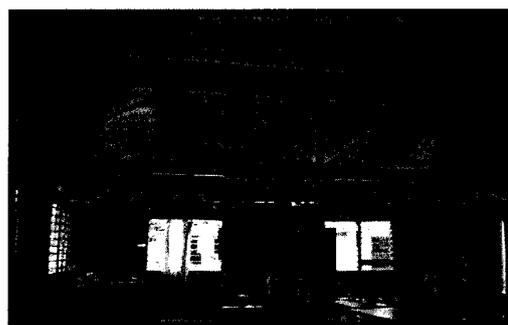


Figure 18.24: Interior of the Kindergarten

Without any evidence of repairs being carried out and the failure to provide an acquittal report, this implies the school may have misused the grants on expenditures not related to the project.

### **Recommendations**

- **The school must consistently adhere to the Grant Policies of the Ministry of Education with regards to Grants.**
- **The District Education Office needs to regularly monitor how schools are utilizing the government grants.**
- **Appropriate actions needs to be taken if the school is found guilty of mismanagement of government grants.**

### **Ministry's Comments**

*The delay in maintenance and construction of two swings and the sand pit was due to the Carpenter being away in Suva for the Christmas break and did not come back until the first week of March, 2010.*

*The \$3,000 grant was released on 2nd September, 2009. The project commenced on 8th March 2010 and was completed in 12th March 2010 (within two (2) days)*

*As reported the sum of \$1,295.65 was utilized for the construction of the two swings and the sand pit while \$1,704 was reported to have been used for maintenance.*

*No acquittal documents sighted and Accounts or AMU may have them. The acquittals are supposed to be sent to AMU as they have the records of the grants paid.*

## **DIVISIONAL WESTERN EDUCATION OFFICE**

### **RATU NAVULA SECONDARY**

#### **18.37 Improving Performance of Schools Projects (IPSP)**

The award must not be used for any other purpose but only for the purpose that grant was awarded for.<sup>53</sup>

Under the Improving Performance of Schools Projects (IPSP), the school was allocated a total grant of \$49,000. Audit noted that the school did not purchase any TVET tools and only utilized \$1,495.20 to purchase the science equipments from the \$2,500 allocated. Refer to Table 18.30 for details.

**TABLE 18.30: USE OF IPSP GRANT**

<b>Descriptions</b>	<b>Grant Awarded (\$)</b>	<b>Actual Expenditure (\$)</b>	<b>Variance (\$)</b>
Text Books	3,000	3,000.00	-
Science Equipment	2,500	1,495.20	1,004.80
TVET Tools	3,500	0	3,500.00
Computers	5,000	5,000.00	-
Library Books	5,000	5,000.00	-
Special Rooms	10,000	10,000.00	-
Other Buildings	20,000	24,500.00	(4,500.00)
<b>Total</b>	<b>49,000</b>	<b>48,995.20</b>	<b>4.80</b>

This savings of \$4,500 from the purchase of TVET Tools and Science Equipment was diverted to the Other Buildings allocation without appropriate approval being sought.

Such irregularities if not controlled could set a bad precedence and it defeats the purpose of the IPSP grants.

#### **Recommendations**

- **The Ministry should obtain explanations from the school for failing to comply with the Deed Agreement and warn them not to repeat such actions in the future.**
- **The Asset Management Unit should thoroughly monitor how the school utilizes the grant provided by the Government.**

**Management Comments**

The school did not purchase any TVET tools from the allocation of \$3500 only utilized \$1495.20 from the Science allocation of \$2000. The savings from the two allocations amounting to \$4504.80 of which \$4500 was used to purchase the other Building material without appropriate approval.

The Principal has been briefed on the rules and regulation governing the Financial Act and such practices will not be repeated again. The AMU together with the DEO W has visited the school and has thoroughly monitored the utilization of grant given by the Government.

**LOVU SANGAM SCHOOL****18.38 Anomalies and Mismanagement of Funds**

Tuition Fee Grants shall be used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant.<sup>54</sup>

The school was provided tuition grant of \$12,366 for the 2009 financial year. All schools are required to submit audited accounts to the Ministry of Education by the end of February every year.

Since the school does not maintain a separate bank account for the tuition grant, audit could not establish how much revenue the school generated from its other revenue sources like school fees, fundraising and other donated funds.

As a consequence, audit could not verify which funds were utilized by the school for its payment/expenditures during the year. However, there were some anomalies noted in respect of payments made. Refer to Table 18.31 for details.

**TABLE 18.31: ANOMALIES AND MISMANAGEMENT OF FUNDS**

Cheque No.	Date	Amount \$	Particulars	Anomalies and Mismanagement
3152	31/01/08	450.00	Purchase of Fax Machine – Office 2000 + Limited	No quotations obtained.
3276	19/03/08	127.50	TISI Sangam Convention	Acquittal of \$100 not attached.
3293	22/04/08	520.00	Children's Day Lunch	No acquittals attached except for \$20.08.
3311	20/05/08	116.54	Purchase of various items	<ul style="list-style-type: none"> <li>• Purchase of grog \$40.00 – no acquittals attached.</li> <li>• \$20.00 provided to school manager for attending workshop for 2 days – no acquittals attached.</li> </ul>
3338	31/07/08	100.00	Payment being made for celebration – Sadha Sami Day - Cash	No acquittals attached.
3350	02/08/08	100.00	Mahendra Choy's farewell - Punjas	Payment not in line with grant policy – tuition grants shall be used solely for the purpose of facilitating teaching and learning in the school.
3396	31/10/08	1,500.00	Payment being made for Director Levy 2007 & 2008 – TISI Sangam.	Payment not in line with grant policy – tuition grants shall be used solely for

<sup>54</sup> Ministry of Education Circular 2/2009 Clause 2.1 (2009).

Cheque No.	Date	Amount \$	Particulars	Anomalies and Mismanagement
				the purpose of facilitating teaching and learning in the school.
3448	06/02/09	100.00	Petty Cash floating expenses – Petty Cash.	<ul style="list-style-type: none"> <li>No acquittals attached.</li> <li>Summary of expenses not shown in the Petty cash register.</li> </ul>
3449	10/02/09	837.50	50% payment on purchase of paints and other items – Special Finishes & Decorative System.	<ul style="list-style-type: none"> <li>Delivery Dockets on invoice no. 4699 &amp; 4804 not attached.</li> <li>Invoice 4699 not attached.</li> </ul>
3451	10/02/09	68.00	Purchase of fuel and other parts for brush cutter – Carpenters Motors.	Cheque made for Carpenters Motors but payment also made to A Chand Engineering Works Ltd.
3502	03/06/09	200.00	Committee Get Together - Punjas.	<ul style="list-style-type: none"> <li>Receipt of only \$45.89 attached. Purchase of cigarettes, 2 Chickens, &amp; 2kg lamb.</li> <li>No acquittals attached for the purchase of two cartons of beer, purchase of 3 x 500ml Gordon's Gin and transportation costs.</li> </ul>

There is a possibility that the school management is using the tuition grants for other purposes and this might have an adverse effect on the overall welfare of the school in terms of improving students' performance.

### **Recommendations**

- **Proper procurement procedures should be followed when purchasing goods and services at all times.**
- **A separate bank account needs to be opened for grants received from Government.**
- **A thorough investigation needs to be conducted by the Ministry to ensure transparency and accountability for the utilization of disbursed tuition grant.**

### **Management Comments**

*The Divisional Education Officer (W) together with the Executive Officer (W) with the President, Manager, Head Teacher and the School Bursar/Clerk and has thoroughly briefed on the importance of Tuition fee free grant given to the School and shall only be utilized for the teaching/learning purpose. Furthermore, the local management will discuss with the national body for a separate bank account for the Tuition grant received from the Government.*

## **NATABUA HIGH SCHOOL**

### **18.39 Deterioration of School Hostel facilities**

The Ministry of Education is totally committed to ensuring that all its offices and all schools are maintained as safe and healthy workplace and environments for its employees, schoolchildren, customers and visitors.<sup>55</sup>

These procedures shall, except where otherwise stated, apply to:

<sup>55</sup> Ministry of Education OHS Policy, Section 2.1  
Ministry of Education

- (a) Classrooms including all buildings used for teaching and learning;
- (b) Teacher’s Quarters; and
- (c) Hostel, Dining room, kitchen and associated facilities.<sup>56</sup>

Audit’s inspection of the boys’ washroom and bathroom facilities during a site visit to the school hostel on 10/02/10 revealed that they were in a dilapidated state. Additionally, the hostel rooms need urgent repairs and maintenance. Refer to the illustrations below for examples.

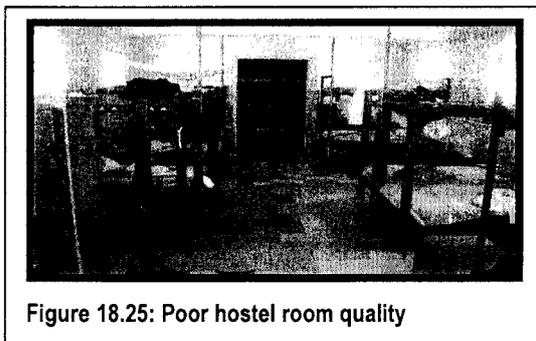


Figure 18.25: Poor hostel room quality

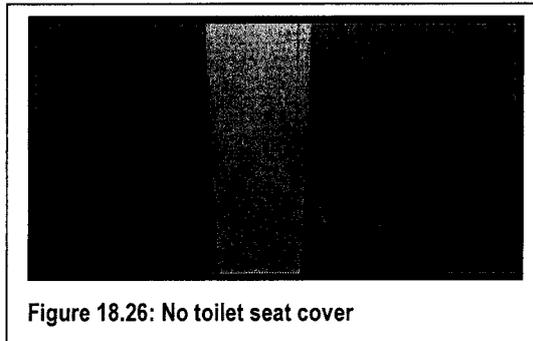


Figure 18.26: No toilet seat cover

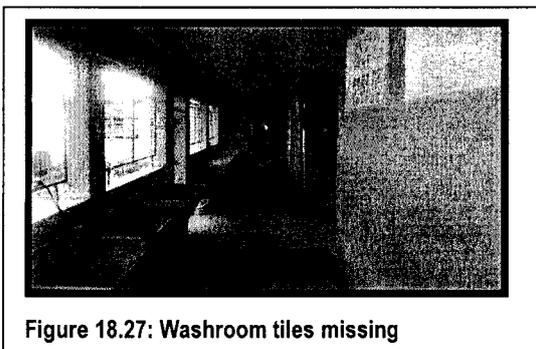


Figure 18.27: Washroom tiles missing

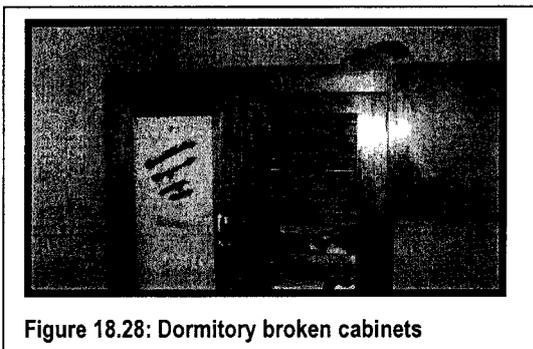


Figure 18.28: Dormitory broken cabinets

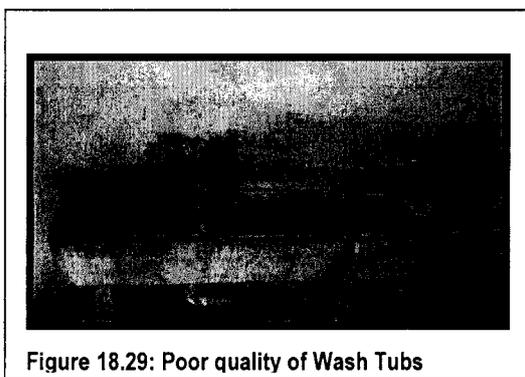


Figure 18.29: Poor quality of Wash Tubs

Non-compliance to the Occupational Health and Safety (OHS) Act will put the students’ lives and health at risk if these issues are not addressed. In addition, the Ministry could face fines under the OHS Act for non compliance to its standards.

<sup>56</sup> Ministry of Education OHS Policy, Section 5.2.1  
Ministry of Education

**Recommendations**

- The Ministry should ensure that OHS issues are resolved as soon as practicable.
- The school which is Government owned needs to be provided with funding to carry out the upgrading and maintenance of its school buildings.

**Management Comments**

*Numerous requests has been sent to Headquarters from the previous Principal and also from the Divisional Education office requesting for additional funds to upgrade and maintain a safe and healthy work place and environment for its employers, school children, These have fallen on the deaf years.*

**NILSEN COLLEGE****18.40 Anomalies and Mismanagement of Funds**

Tuition Fee Grants shall be used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant. It shall not be donated, loaned, or borrowed by any person or organization.<sup>57</sup>

Audit noted the following anomalies while scrutinizing the tuition grant records maintained at the school.

- A separate bank account was not maintained for the tuition grants received from government.
- The school could not differentiate expenses paid via grants because the entire grant was deposited in the operating account together with the school fees, fundraising and other donated funds.
- The school was constantly providing loans to staffs in 2009. Refer to Table 18.32 for details.

**TABLE 18.32: LOAN TO STAFFS**

Date	Cheque Number	Name of Borrower	EDP/FNPF Number	Amount Loaned (\$)	Employment Status	Gross Salary
06/02/09	1793	Kelera Naqiri Naisau	69999	100	Civil Servant	14,253
06/02/09	1794	Laisa Matalomani	82928	200	Civil Servant	10,421
06/02/09	1795	Salanieta Seratibau Poe	81459	100	Civil Servant	14,253
12/02/09	1805	Sema Sukani	-	100	School Based	N/A
20/02/09	1819	Semesa Lewai	-	150	Civil Servant	9,216
20/02/09	1820	Kelera Naqiri Naisau	69999	100	Civil Servant	14,253
27/02/09	1829	Salanieta Seratibau Poe	81459	80	Civil Servant	14,253
16/03/09	1850	Rt. Esala Tokaseu	83416	100	Civil Servant	14,253
17/03/09	1852	Kelera Naqiri Naisau	69999	200	Civil Servant	14,253
22/05/09	1922	Rt. Esala Tokaseu	83416	650	Civil Servant	14,253
24/06/09	1963	Setita Vukunisiga Vuli	2218271	450	School Based	N/A
13/07/09	1989	Sema Sukani	-	400	School Based	N/A
28/07/09	2001	Maria Albert	8308	200	Civil Servant	21,186
31/07/09	2008	Setita Vukunisiga Vuli	2218271	800	School Based	N/A
06/08/09	2011	Shamina Hussein	84129	1,500	Civil Servant	17,639
06/08/09	2013	Lina Metusela	RV333	500	School Based	N/A
12/08/09	2020	Timoci Naisau Malawai	56208	500	Civil Servant	16,544

<sup>57</sup> School Management Handbook, 2005: 28.

Date	Cheque Number	Name of Borrower	EDP/FNPF Number	Amount Loaned (\$)	Employment Status	Gross Salary
03/11/09	2083	Kesaia Tamanivalu	84264	100	Civil Servant	17,639
<b>Total</b>				<b>6,230</b>		

Audit established that majority of these loans were granted due to financial difficulties faced by staffs most of whom were civil servants. The loans were approved by the school manager, Mr. Hamlet Wedlock after the endorsement of the former school Principal, Mrs. Shashi Dutt.

The school bursar had advised that the school had ceased giving loans in 2010 and majority of the loans had been recovered.

Apart from the issues highlighted above, audit noted anomalies in the utilization of school funds. Refer to Table 18.33 for details.

**TABLE 18.33: ANOMALIES AND MISMANAGEMENT OF SCHOOL FUNDS**

Cheque No.	Date	Amount (\$)	Particulars	Anomalies and Mismanagement
1783	28/01/09	200.00	Morning tea for staffs	No acquittals attached
1821	20/02/09	201.62	Maintenance – Partition 501	Invoice not attached. Payment made on quotation.
1824	23/02/09	100.00	Reguregu – Principal's brother	No acquittals attached
1826	27/02/09	250.00	Purchases of desks	Invoice not attached. Payment made on quotation.
1866	02/04/09	200.00	Lunch – Ministry officials	No acquittals attached
1891	24/04/09	720.00	Trip to Coca Cola Games	No acquittals attached
1892	24/04/09	1,500.00	Children Day and farewell for 3 staff	Payment not in line with grant policy .
1893	24/04/09	535.00	Fiji Secondary School Sevens	No acquittals attached
1925	01/05/09	820.00	Purchase of Reams – Angel Books & Stationery	Quotations not obtained.
2043	26/08/09	4,355.00	Construction of one ladies toilet and labor cost – Tavua Construction Limited	<ul style="list-style-type: none"> <li>• Invoice not attached. Payment made on quotation.</li> <li>• Quotations not obtained.</li> </ul>
2102	25/11/09	200.00	Prize Giving	No acquittals attached
2106	25/11/09	300.00	Farewell for Naleshni and Mrs. Albert	No acquittals attached
2113	01/12/09	200.00	Farewell & Marriage for 2 staff	No acquittals attached

It is evident that the school management could be abusing the tuition grants for other purposes and this might have an adverse effect on the overall welfare of the school in terms of improving students' performance.

### **Recommendations**

- All outstanding loan made to teachers should be recovered within the first term of 2010.
- Proper procurement procedures should be consistently followed when purchasing goods and services.
- The school should immediately cease the abuse of school fund for inappropriate expenditures.
- A separate bank account needs to be opened for grant monies received from Government.
- A thorough investigation needs to be conducted by the Ministry to ensure transparency and accountability for the utilization of public funds.

**Management Comments**

*All outstanding loans have been recovered except for one teacher TPF 83416 Rt Esala Tokaseu (\$650.00) who has promised to clear by the end of Term II 2010. The School has stopped giving personal loan to teachers from 2010.*

*The School has a new Principal and also a new treasurer who has been properly briefed on financial procedures. A separate Bank Account has already been open to cater for all money received from the Government*

**NATABUA PRIMARY SCHOOL**

**18.41 Incomplete Project**

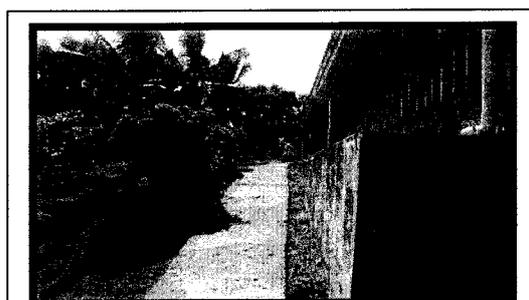
Where it is necessary to request another agency to perform works or services on the agency’s behalf, the Head of Section may authorise the issue of a Departmental Warrant (DW) to the performing agency to carry put the works or services.<sup>58</sup>

The school was allocated a grant of \$100,000 (VEP) in 2008 for the construction and completion of its walkway by the Ministry of Public Works. Refer to Table 18.34 for the details of the costs incurred in 2008.

**TABLE 18.34: UTILIZATION OF FUNDS FOR THE WALKWAY**

<b>Descriptions</b>	<b>Allocation (\$)</b>	<b>Actual Costs (\$)</b>	<b>Balance (\$)</b>
RIE Warrant No. 238/08	100,000		
Wages		17,894	
FNPF		1,210	
Allowance		432	
Materials		58,015	
Plant Hire		5,973	
Mechanical Works		13,262	
Fabrication & Gate Installation		700	
<b>TOTAL</b>	<b>100,000</b>	<b>97,486</b>	<b>2,514</b>

During audit’s site visit on 10/02/10, it was noted that the project was still incomplete. Refer to the illustration provided.



**Figure 18.30: Incomplete walkway (no shelter)**



**Figure 18.31: Incomplete walkway (without shelter)**

<sup>58</sup> Finance Manual 2005, Part 2, Section 2.5.20  
Ministry of Education

Neither the Head Teacher nor the Divisional Education Office could provide a satisfactory explanation as to why the project was incomplete. Inquires with the Ministry of Works at the Lautoka Divisional office confirmed that the funds distributed were fully utilized for the purpose of completing the walkway.

The absence of proper monitoring on the part of the Education officers as well as the Head Teacher had resulted in the non completion of this project. The delays could affect students and teachers movement during unfavorable weather conditions.

### **Recommendations**

**The Ministry should be more vigilant in terms of monitoring projects carried out by the Ministry of Works.**

### **Management Comments**

*The above concern is noted and the Divisional Education Officer (Western) together with the other Education Officers and the Head Teacher shall be more vigilant in terms of monitoring projects that are carried out by the Ministry of Works.*

## **BA METHODIST HIGH SCHOOL**

### **18.42 Diversion of IPSP Funds**

The award must not be used for any other purpose but only for the purpose that grant was awarded for.<sup>59</sup>

Under the Improving Performance of Schools Projects (IPSP), the school was allocated a total grant of \$44,000 with an additional \$10,000 for the boarding grant. Refer to Table 18.35 for details.

**TABLE 18.35: IPSP GRANTS**

<b>Allocations</b>	<b>Grant Awarded (\$)</b>	<b>Actual Expenditure (\$)</b>	<b>Unutilized (\$)</b>
Text Books	5,000	-	5,000.00
Science Equipment	2,000	1,517.20	482.80
TVET Tools	2,000	-	2,000.00
Computers	5,000	5,000.00	-
Special Rooms	10,000	10,000.00	-
Other Buildings	20,000	18,500.00	1,500.00
<b>Total</b>	<b>\$44,000</b>	<b>35,017.20</b>	<b>8,982.80</b>

The renovations of the dormitories cost the school \$16,750 and this was funded from the \$10,000 provided for the boarding grant and an additional \$6,750 was diverted from the IPSP grant allocation of \$44,000.

Such irregularity could set bad precedence and it also defeats the purpose of IPSP grants.

<sup>59</sup> Ministry of Education – Boarding Award Conditions

**Recommendations**

- **The Ministry should take appropriate actions against the school for failing to comply with the Deed Agreement.**
- **The Asset Management Unit should thoroughly monitor how schools utilize the grant provided by the Government.**

**Management Comments**

*The above discrepancy has been noted and the Principal has been thoroughly briefed on the consequences she may face for diverting funds from one allocation to another.*

**NAKOROBOYA PRIMARY SCHOOL****18.43 Construction of Teacher's Quarters**

The award must not be used for any other purpose but only for the purpose that grant was awarded for.<sup>60</sup>

Audit noted that building grants was provided to the school to build a teacher's quarters in 2008. The construction should have been completed within six months from the date the grant was awarded but was not completed and commissioned until 05/11/09.

The delay was due to the failure of the initial (first) contractor to complete the project. The school could not provide adequate reasons for the delay. With the assistance of the Acting Senior Education Officer for Ba/Tavua, Tavua Construction was engaged to complete the project at an extra cost of \$8,000.

No other contractors were willing to bid for the project due to the school's locality/isolation. Refer to Table 18.36 for details of grants awarded.

**TABLE 18.36: DETAILS OF PROJECT COST**

<b>Project</b>	<b>2008 Initial Grant Awarded</b>	<b>2008 Grant Paid (80%)</b>	<b>Extra Grant (2009)</b>	<b>Total Grant</b>
1 Teacher's Quarters	19,000	15,200	8,000	23,200

The practice of engaging an individual rather than an established contractor has resulted in the wastage of taxpayer's money and the non-completion of the project on time. Additionally, the school should have been more vigilant and payment to the contractor should have been based on the percentage of work completed.

**Recommendations**

- **The Asset Management Unit and the District Education Office should closely monitor building grants awarded and how contracts are provided to various contractors by school management.**
- **The schools should not provide contracts to unregistered companies or individuals even if the bidders provide cheaper quotes.**

<sup>60</sup> Ministry of Education – Building Grant Award Conditions

- **Payment made to builders/contractors should be based on the percentage of work completed and not on some arbitrary figures.**

### **Management Comments**

*The non- completion of teacher's quarters on the specified time was due to the geographical location of the school. Due to the heavy rainfall, the Contractors were not able to reach the Construction site for weeks and months because of poor road condition.*

*Frequent change in contractors has also resulted in the delay of work. It was very hard to get a registered Contractor since no one was willing to bid due to remoteness and inaccessibility to transport.*

*Furthermore, the head teacher has been fully briefed on the aspect of financial regulation.*

### **18.44 Overcrowded Classrooms (Non – OHS Compliant)**

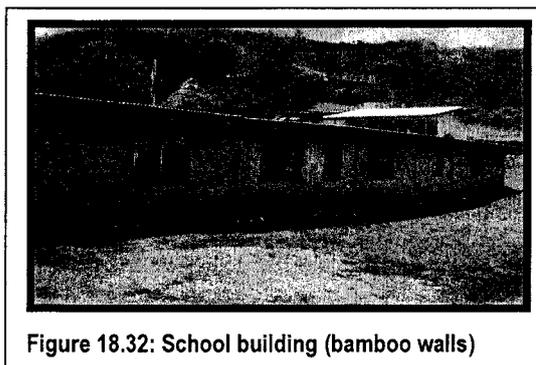
The Ministry of Education is totally committed to ensuring that all its offices and all schools are maintained as safe and healthy workplace and environments for its employees, schoolchildren, customers and visitors.<sup>61</sup>

These procedures shall, except where otherwise stated, apply to:

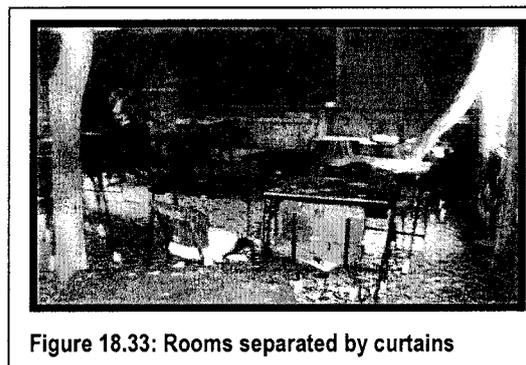
- (a) Classrooms including all buildings used for teaching and learning
- (b) Teacher's Quarters
- (c) Hostel, Dining room, kitchen and associated facilities.<sup>62</sup>

Nakoroboya Primary School was opened on 19/01/06. Tucked away 26 km from Ba town in the deep valleys of the upper Vatukoula highlands stands the temporary hand woven bamboo walled, corrugated roofing, lean to type and four roomed school building.

Audit site visit on 12/02/10 noted that the school is not OHS compliant due to the overcrowding of classrooms which poses great risks to the students' health. The school has only one concrete classroom and a thatched bamboo walled building with curtains separating the four different classes that housed a roll of 99 students. Refer to the illustration below of the erected school building used by students.



**Figure 18.32: School building (bamboo walls)**



**Figure 18.33: Rooms separated by curtains**

<sup>61</sup> Ministry of Education OHS Policy, Section 2.1

<sup>62</sup> Ministry of Education OHS Policy, Section 5.2.1



Figure 18.34: Classroom congestion



Figure 18.35: The only concrete classroom

Many of the classes shared one room resulting in overcrowding which is not conducive to learning. The Head Teacher confirmed to audit that another location had been identified on which to build extra classrooms.

Students' safety is paramount and the risk of the building catching a fire cannot be ruled out because there are no measures in place to counter such unforeseen circumstances.

### **Recommendation**

**The Ministry should look into the plight of the Nakoroboya Community and assist them with the building of new classrooms under the Minister's Projects for the Educationally Disadvantage Areas Program.**

### **Management Comments**

*A special recommendation with justifications has been sent to headquarters to assist Nakoroboya Primary School with new classrooms, which will definitely ease the problem of overcrowding and ensuring a safe and healthy workplace and environment for teachers and students.*

## **LAUTOKA MUSLIM PRIMARY SCHOOL**

### **18.45 Reconstruction of school building**

All projects should be completed within six months in which the building grant was approved. Any outstanding project is deemed to have passed and the balance of the grant forfeited.<sup>63</sup>

The Lautoka Muslim Primary School building sustained damages through a fire on 03/11/09. As part of its assistance, Government provided a grant of \$150,000 for the fire rehabilitation program of which 80% (i.e. \$120,000) has been deposited into a special account with an extra \$50,000 for furniture and stationeries.

<sup>63</sup> School Building Grant Rules, 1996, Section 17.  
Ministry of Education

Audit site visit to the school on 10/02/10 noted that the school has yet to commence with the project. This was due to the delay in getting the building plan approved by the Lautoka City Council and the Director of Town and Country Planning. Refer to illustrations of the burnt school building.

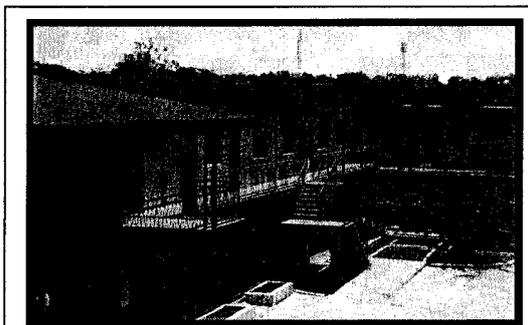


Figure 18.36: Side view of the burnt building

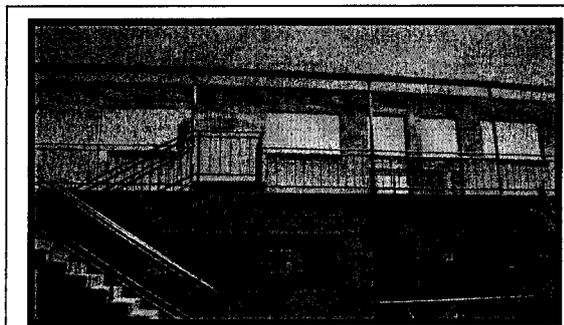


Figure 18.37: Front view (top storey fully burnt)

The delays in construction would affect the students especially when they are using the Sunbeam building which is not conducive for studying.

### **Recommendations**

**The Ministry should closely monitor the progress of the schools redevelopment project and facilitate the process of getting the plan approved by the two authorities.**

### **Management Comments**

*The delay for the reconstruction of the school building was due to the non approval of the building plan by the Lautoka City Council and the d of Town and Country Planning.*

## **LOMAWAI SECONDARY SCHOOL**

### **18.46 Over-crowding in the Hostel**

The Ministry of Education is totally committed to ensuring that all its offices and all schools are maintained as safe and healthy workplace and environments for its employees, schoolchildren, customers and visitors.<sup>64</sup>

These procedures shall, except where otherwise stated, apply to-

- (a) Classrooms including all buildings used for teaching and learning
- (b) Teacher's Quarters
- (c) Hostel, Dining room, kitchen and associated facilities
- (d) School environment
- (e) Special learning areas
- (f) Special excursions, Fieldtrips and Festivals
- (g) Other facilities used outside the school environment fro teaching, learning and other related activities.<sup>65</sup>

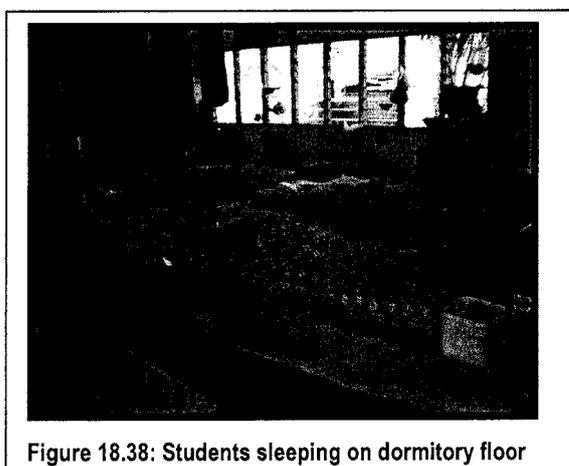
<sup>64</sup> Ministry if Education OHS Policy, Section 2.1

<sup>65</sup> Ministry if Education OHS Policy, Section 5.2.1

Audit visit to the school on 09/02/10 noted that there were 45 students occupying the new dormitory constructed in 2009 from the boarding grant awarded by Ministry of Education in 2008. Audit could not substantiate the total cost of the construction due to the unavailability of the records at the school and at the Asset Management Unit (AMU).

Initially the school was established for day scholars. However, students living in the Naikoro and Tubaruya settlements were finding it difficult to attend school due to the remoteness of these settlements. Then the Ministry approved the school as a boarding institution and currently there are 150 boarding students out of the 434 school roll.

Audit noted that students were sleeping on mattresses placed on the floor without the comfort of a proper bed. Additionally, 20 students are currently being accommodated in one of the classrooms after the conclusion of normal school hours. Refer to the illustrations below of the classroom and dormitory floor used for sleeping.



**Figure 18.38: Students sleeping on dormitory floor**



**Figure 18.39: Classrooms used for sleeping**

Audit was further informed by the Vice Principal that some hostel students were occupying a room outside the school premises due to the high demand for boarding.

Such arrangements place the life and safety of students at risk.

**Recommendations**

- **The school should consider OHS issues and restrict the number of students boarding at the school dormitory.**
- **School management should reconsider the option of students being accommodated out of the school compound and consider the risks involved.**
- **The Ministry should review the current dormitory facilities and boarding arrangement in the school.**

**Ministry’s Comments**

*The Divisional Education Officer (W) and the Commissioner Western together with the officers from the Provincial Development visited the school yesterday (14/7/10) and had discussion with the Principal on the need to construct a new hostel to accommodate the increase number of student in the hostel.*

### 18.47 Location of Ablution Block

The Ministry will ensure that everything possible and practicable is done to eliminate risks to health or safety and to provide hazard free workplaces and learning environments.<sup>66</sup>

A boarding grant of \$30,000 was given by the Ministry to build a new hostel. The school only received 80% of the grant money on 04/09/08 which amounted to \$24,000. Audit was informed by the Principal that they are still waiting for the other 20% which equates to \$6,000.

Audit site visit on 09/02/10 noted that an ablution block was not built adjacent to the new hostel as depicted in the picture below.

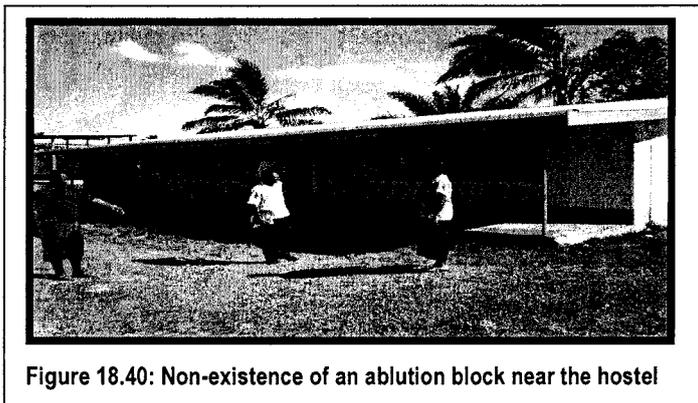


Figure 18.40: Non-existence of an ablution block near the hostel

When the ablution blocks are not located close to the dormitory, the students' lives are at risk from fiend and wrongdoers, especially at night.

#### Recommendations

- The school management should consider building an ablution blocks near the hostels.
- The Ministry should review the matter and provide assistance for the building of the new ablution blocks.
- The Ministry to be more vigilant in monitoring how the school plans are prepared and approved.

#### Ministry's Comments

*The Senior Education Officer, Nadroga/Navosa has already forwarded a project paper to the Commissioner Western regarding the above for the school and has been assured that there is a high possibility that these projects will be implemented soon. This ablution block will be built adjacent to the new hostel.*

*The Air Pacific Airlines Company Ltd's "Wings of Hope" Charitable organization has also offered to assist in funding the building of the ablution block.*

### 18.48 Non Compliance with Grant Conditions

With every application for a building grant must be forwarded a written guarantee that the Controlling Authority will on completion of the building, effect and maintain on the building, for a minimum

<sup>66</sup> Ministry of Education OHS Policy Section 2.4

period of twenty years, insurance against fire and hurricane with an authorized insurance company to the full insurable value of the building.<sup>67</sup>

The recipient of the grant assistant shall prepare an acquittal report. The acquittal report shall provide the following information:

- Details of grant money expended and unexpended;
- Grant objectives and targets achieved.<sup>68</sup>

Audit noted that the school failed to insure the new hostel contrary to the requirement in the letter dated 04/09/08 from the Ministry.

Additionally, audit established that the school did not submit their acquittal report to the Ministry on the \$24,000 grant monies allocated to them.

Non-monitoring by the Asset Management Unit on the projects status and the other conditions that needs to be met could lead to catastrophic results. For example, in the event of a cyclone or fire occurring, the school could lose out as the building is not insured.

### **Recommendations**

- **The school should insure the buildings as soon as possible.**
- **The Ministry should closely monitor that the terms and conditions of the grants are complied with including the provision of acquittal report.**
- **Section 3.3.1 of the Finance Manual should be strictly complied with and appropriate actions imposed against officers responsible.**

### **Ministry's Comments**

*The Monitoring tuition Grants presentation was done to address this issue to Principals and Bursars.*

## **BEMANA DISTRICT SCHOOL**

### **18.49 Unauthorized use of Grant Monies**

A Boarding Grant Award of \$20,000 in respect of Dining Hall & Kitchen was awarded. The award must not be used for any other purpose but that mentioned above.<sup>69</sup>

Audit noted that the school received the 100% boarding grant on 17/09/09 before an agreement was signed between the school Manager and West Coast Timber and Hardware Ltd on 19/11/09.

The agreement between the two parties was to build a 21 x 17 concrete building dormitory at a contracted sum of \$22,000. This was not in line with the original purpose of the grant and nor was the Ministry's approval sought for the changes.

Audit site visit at the school on 10/02/10 revealed the following anomalies:

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<sup>67</sup> Ministry of Education Boarding Grant Condition Section 6

<sup>68</sup> Section 3.3.1 – Finance Manual 2005

<sup>69</sup> Ministry of Education – Boarding Award Conditions

- West Coast Timber and Hardware Ltd was paid \$5,000 to commence with the construction of the dormitory. The foundation work of the dormitory was progressing when the school management noticed cracks on the floor and walls. The school contacted a health inspector who instructed the cessation of the construction work.
- There was no penalty clause in the contract agreement to protect the interests of the school from contributory negligence of the contractor.
- West Coast Timber and Hardware's contract was terminated and the school engaged nearby villagers to construct a new dining hall close to the partly constructed dormitory.

Audit was informed by the Head Teacher that the school would add more cement on the foundation to build a new dormitory. The school would bear the cost through a fundraising drive.

Refer to illustration below of the incomplete work done.

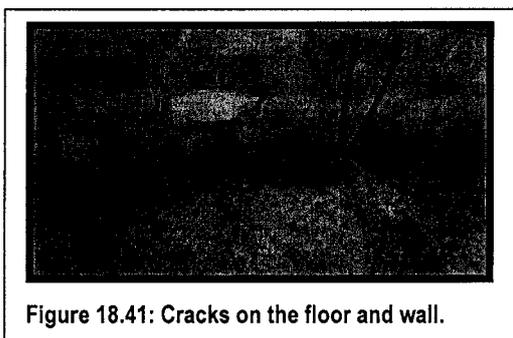


Figure 18.41: Cracks on the floor and wall.

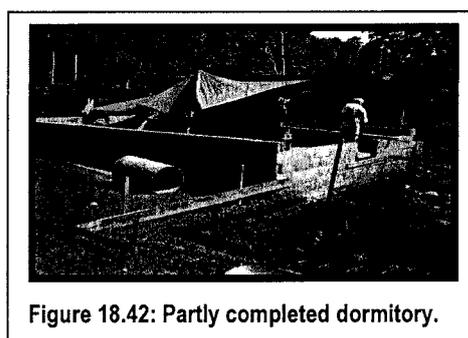


Figure 18.42: Partly completed dormitory.



Figure 18.43: Partly completed dining hall

The above anomalies highlights blatant disregard to the boarding grant conditions.

### **Recommendations**

- **The Ministry should look into the matter and appropriate action taken against the officer(s) responsible for not complying with the grant conditions.**
- **The Divisional Education Office should thoroughly monitor the construction of such projects and scrutinize all documentation relating to the grants.**
- **The school should ensure that stipulated conditions of the Boarding Grant Award are complied with.**

**Ministry’s Comments**

*The Divisional Education Officer (W) together with Executive Officer conducted a meeting with the Head Teacher and the Management of the school and has thoroughly briefed on their roles and responsibilities and the importance of the Financial Act.*

*The grant received from the Government shall be strictly used for teaching /learning purpose and the funds should not be diverted to any other projects unless prior approval from the Permanent Secretary for Education.*

**NADROGA NAVOSA PROVINCIAL HIGH SCHOOL**

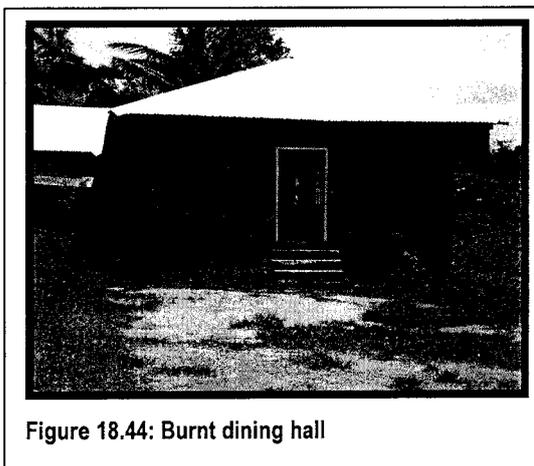
**18.50 Unauthorized use of Grant Monies**

A Boarding Grant Award of \$15,000 in respect of Maintenance and Upgrading of Dining Hall & Kitchen was awarded. The award must not be used for any other purpose but that mentioned above.<sup>70</sup>

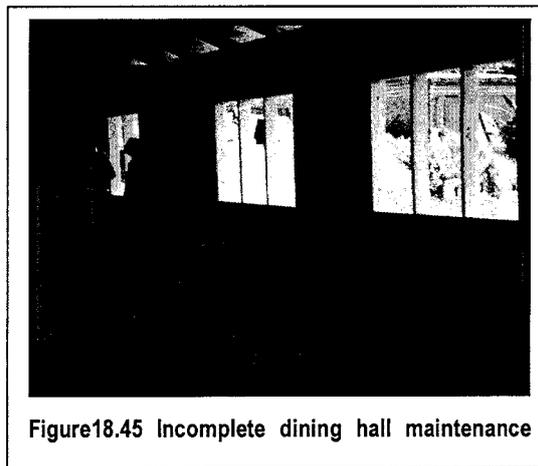
The school received 100% boarding grant on 20/10/09. Audit scrutiny of the payment vouchers on 09/02/10 revealed that from the total of \$11,900.54 disbursed; only \$3,504.47 was spent on the maintenance of the dining hall and kitchen. The balance of \$8,395.71 was used for the maintenance of the girl’s dormitory.

Audit was informed by the school that a student accidentally burnt the old dining hall. There were no reports from the National Fire Authority and other relevant stakeholders.

However, the building structure was intact with only the interior and the roof needing maintenance. Refer to the illustrations below of the incomplete dining hall maintenance work.



**Figure 18.44: Burnt dining hall**



**Figure 18.45: Incomplete dining hall maintenance**

The dining hall is yet to be completed as a result of the diversion of the grant money. The failure to properly monitor the project had resulted in its non completion and thus the need for the school to carry out a fundraising drive to complete the dining hall repairs.

<sup>70</sup> Ministry of Education – Boarding Award Conditions  
Ministry of Education

### **Recommendations**

- **The Ministry should review the matter and appropriate action taken for the officer responsible for not complying with the grant conditions.**
- **The Divisional Education Office should thoroughly closely monitor such projects and scrutinize all documentations and the progress of work on site.**
- **The school should ensure that all the conditions of the Boarding Grant Award are complied with in future.**

### **Ministry's Comments**

*The Divisional Education Officer with the SEO Lautoka/Yasawa and the Executive Officer visited the School and highlighted the importance of monitoring projects and submission of acquittals to Headquarters. He also briefed on the consequences the school may face for transfer of allocation from one project to another.*

## **DIVISIONAL NORTHERN EDUCATION OFFICE**

### **18.51 BUILDING GRANTS ANOMALIES AWARD**

Eighty percent of an approved grant will be paid into the account of the Controlling Authority on receipt of written confirmation from the Controlling Authority that site works have begun.

A second and final payment of 20% of the approved grant will normally be made on production of a completion certificate signed by the rural local authority or the Building Inspector or OHS Supervisor.<sup>71</sup>

Prior to the payment of 80% of the grant, the school's controlling authority must:

- i) Confirm that site works have begun;
- ii) Undertake to complete the building from the time the first instalment of the grant is paid. (If this is not possible due to some unforeseen circumstances, an application will be made to the Chief Executive Officer for extension).
- iii) Have sufficient funds on hand to complete the approved project once the initial 80% of the grant has been made.

Projects shall normally be completed within 6 months of the payment of the first installment of the grant. (If this is not possible due to unforeseen circumstances, an application will be made to the Ministry to extend this period).<sup>72</sup>

There were a few projects approved by the Capital Projects Committee which was headed by the Deputy Secretary for the Ministry of Education for the Northern Division.

Audit review of the building grant project records and visits to some project sites noted the following anomalies:

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<sup>71</sup> Building Grants Regulation 1995 (Revised).

<sup>72</sup> Building Grants Regulation 1995 (Revised).

**18.51.1 Wailevu East Primary – Savusavu Education Office**

A sum of \$20,000 was allocated for the construction of a new hostel. A total of \$16,000 (80%) grant award was deposited into the school's development bank account.

Audit site visit on 16/02/10 noted that no work has been done for the proposed hostel and the Head Teacher confirmed to audit that they only realised that 80% of the grant has been in the school bank account towards the end of 2009.

Also in February 2010, the Rural Health Inspector issued a sixty days notice for the school to repair and upgrade the classrooms and ablution blocks because the buildings were not OHS compliant.

This was the main reason for the delay in the construction of the new hostel and this project has now been earmarked to begin on the first week of March 2010.

**18.51.2 Vatuvula Primary School – Savusavu Education Office**

A grant of \$15,000 was allocated for the maintenance and upgrading of existing facilities.

Audit noted that there were no records maintained in the school file at the Senior Education Officer's (SEO) Office for Cakaudrove even though the SEO is a trustee to the school's bank account. The grant money was deposited into the school's ANZ account number 09316471 on 27/08/09.

The absence of proper record keeping reflects the lack of proper communication and co-ordination between the SEO's office and the school.

**18.51.3 Baravi Fijian School**

The school was awarded \$8,000 building grant for the completion of its hostel. Audit site visit on 15/02/10 revealed that no work was done for the hostel even though the grant was deposited into the school's bank account number 10333244 with ANZ bank before the end of the 2009 financial year.

The Head Teacher explained that even though the grant money was deposited into the school's building grant account, no expenditure had been incurred so far. Audit was informed by the Northern Education Officer, Mr. Saune on 06/04/10 that the school hostel constructions will commence in April 2010 following the purchase of \$5,000 worth of building materials from Fiji Forest Industries and Vinod Patel Company Limited on 31/03/10.

**18.51.4 Labasa College**

A departmental warrant No EDU 31/09 was issued to the Permanent Secretary for Works on 16/10/09 as per *Requisition to Incur Expenditure No. 739/09*. The purpose of this fund was for the maintenance works to be carried out at Labasa College. Refer details in Table 18.37.

**Table 18.37: Grant for maintenance work**

Date	Departmental Warrant No.	Allocation	Purpose	Amount (\$)
16/10/09	EDU 31/09	1-21101-21999-536101	To carry out maintenance works at Labasa College.	75,494

Audit site visits to the school on 12/02/10 and 19/02/10 noted that no work had been done since the release of the funds to the Ministry of Works. Inquiry with the Ministry of Works office at Labasa confirmed that the Division only received \$73,494. Refer to details of the scope of work and estimates in Table 18.38.

**Table 18.38: Scope of Works and Estimates**

Scope Descriptions	Works Estimated Costs (\$)	Allocation (\$)	Actual Spent (\$)	Balance (\$)
<ul style="list-style-type: none"> <li>• 12 blocks of classrooms and toilet facility</li> <li>• Computer, Physics &amp; Chemistry Lab</li> <li>• Science Staff Room</li> <li>• Dining Hall &amp; Kitchen</li> <li>• Home Economics Room</li> <li>• Boys Dormitory</li> <li>• Vakatale Girls Hostel</li> </ul>	<ul style="list-style-type: none"> <li>• Labour – 30,188</li> <li>• Materials – 37,017</li> <li>• Plant Hire – 2,385</li> <li>• Site clearing - 500</li> <li>• OHS – 1,402</li> <li>• VAT – 5,163</li> </ul>	DW EDU 31/09 issued of \$75,494 and \$2,000 was withheld at the Ministry of Works Suva HQ.	34% was spent on the allocation issued by the Ministry of Works HQ to the Labasa Ministry of Works office while the balance was returned to MOE.	
<b>TOTAL</b>	<b>76,655</b>	<b>73,494</b>	<b>25,087</b>	<b>48,407</b>

The Principal highlighted that general maintenance works is needed at the school so that a conducive and safe learning environment is maintained for the benefit of the students and teachers.

The above weaknesses indicate that there was lack of monitoring and coordination between the Asset Management Unit of the Ministry of Education and the Divisional Education Officer's resulting in the delay of maintenance works.

#### **18.51.5 Vunidawa Primary School**

A sum of \$20,000 (100%) grant award was allocated for the construction of a new hostel and water catchment. This was deposited into the school's development Colonial National Bank account number 7201451 in September 2009.

Audit site visit on 16/02/10 revealed that one hostel building was complete and the other hostel building along with the dining room was in progress. Discussion with the Head Teacher established that funds allocated for the project has been exhausted and the school is yet to complete the final stages of the hostel while the water catchment project had not started.

#### **Recommendations**

- **The Ministry should closely monitor the progress status of all grants awarded to schools.**
- **The Ministry must ensure that there is proper communication and coordination between the District Education Office and school management.**
- **The Ministry should ensure that necessary documents such as progress reports and other applicable reports are made available for audit purposes.**
- **The Ministry should enquire with Ministry of Works on the delay in the maintenance works at Labasa College.**

**Management Comments**

*The Monitoring tuition Grants presentation was done to address this issue to Principals and Bursars.*

## APPENDICES

### Appendix 18.1: Statement of Output Costs

#### Portfolio Leadership Policy Advice and Secretariat Support 2009

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	21,789,678	21,781,836
Unestablished Staff	717,586	723,015
Travel & Communication	148,461	153,645
Maintenance & Operations	638,217	545,866
Purchase of Goods & Services	875,385	1,005,229
Operating Grants & Transfers	4,989,726	32,657,691
Special Expenditures	4,078,252	186,126
<b>Total Operating Costs</b>	<b>33,237,305</b>	<b>57,053,408</b>
<b>Capital Expenditure</b>		
Capital Construction		---
Capital Purchases		---
Capital Grants & Transfers		---
<b>Total Capital Expenditures</b>		---
Value Added Tax	539,663	308,470
<b>TOTAL EXPENDITURE</b>	<b>33,776,968</b>	<b>57,361,878</b>

#### Education and Training Early Childhood Education 2009

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	556,528	603,494
Unestablished Staff	81,599	80,068
Travel & Communication	12,064	16,414
Maintenance & Operations	40,827	32,303
Purchase of Goods & Services	162,174	138,656
Operating Grants & Transfers	656,920	2,173,514
Special Expenditures	103,292	107,293
<b>Total Operating Costs</b>	<b>1,613,404</b>	<b>3,151,742</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	189,809	---
<b>Total Capital Expenditures</b>	<b>189,809</b>	---
Value Added Tax	46,184	35,761

Description	2009 \$	2008 \$
<b>TOTAL EXPENDITURE</b>	<b>1,849,397</b>	<b>3,187,503</b>

**Education and Training Primary Schools 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	96,516,564	100,821,887
Unestablished Staff	197,876	191,655
Travel & Communication	284,096	249,890
Maintenance & Operations	54,714	44,498
Purchase of Goods & Services	469,044	506,406
Operating Grants & Transfers	5,181,346	7,004,989
Special Expenditures	145,020	179,601
<b>Total Operating Costs</b>	<b>102,848,660</b>	<b>108,998,926</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	396,558	499,148
<b>Total Capital Expenditures</b>	<b>396,558</b>	<b>499,148</b>
Value Added Tax	2,806,250	110,686
<b>TOTAL EXPENDITURE</b>	<b>106,051,468</b>	<b>109,608,760</b>

**Education and Training Secondary Schools 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	75,756,417	75,165,727
Unestablished Staff	1,352,051	1,359,212
Travel & Communication	192,825	181,663
Maintenance & Operations	261,997	257,726
Purchase of Goods & Services	1,719,961	1,840,219
Operating Grants & Transfers	9,530,261	10,456,842
Special Expenditures	14,478	9,270
<b>Total Operating Costs</b>	<b>88,827,990</b>	<b>89,270,659</b>
<b>Capital Expenditure</b>		
Capital Construction	2,326,807	1,517,285
Capital Purchases	377,742	---
Capital Grants & Transfers	1,292,474	1,245,258
<b>Total Capital Expenditures</b>	<b>3,997,023</b>	<b>2,762,543</b>
Value Added Tax	602,266	292,004
<b>TOTAL EXPENDITURE</b>	<b>93,427,279</b>	<b>92,325,206</b>

**Provision of Library Services to Schools 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	313,493	341,073
Unestablished Staff	69,225	71,986
Travel & Communication	11,886	12,796
Maintenance & Operations	69,630	35,845
Purchase of Goods & Services	101,228	140,850
Operating Grants & Transfers	12,192	1,578,685
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>584,893</b>	<b>2,190,505</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	21,921	23,132
<b>TOTAL EXPENDITURE</b>	<b>606,814</b>	<b>2,213,637</b>

**Consulting Services Advisory Services to School 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	771,392	719,578
Unestablished Staff	53,836	54,379
Travel & Communication	11,185	30,122
Maintenance & Operations	36,096	30,684
Purchase of Goods & Services	313,409	170,137
Operating Grants & Transfers	103,385	1,670,339
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>1,296,542</b>	<b>2,684,509</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	50,896	26,851
<b>TOTAL EXPENDITURE</b>	<b>1,347,438</b>	<b>2,711,360</b>

**Consulting Services Student Careers Counselling 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	233,773	225,361
Unestablished Staff	28,668	29,770
Travel & Communication	7,927	10,278
Maintenance & Operations	46,734	30,722
Purchase of Goods & Services	51,236	63,435
Operating Grants & Transfers	103,385	1,670,339
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>478,962</b>	<b>2,039,175</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	10,042	12,566
<b>TOTAL EXPENDITURE</b>	<b>489,004</b>	<b>2,051,741</b>

**External Examination Services 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	471,541	527,021
Unestablished Staff	5,121	20,534
Travel & Communication	14,153	15,546
Maintenance & Operations	36,723	30,487
Purchase of Goods & Services	612,329	929,819
Operating Grants & Transfers	12,192	1,578,685
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>1,159,298</b>	<b>3,111,362</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	70,715	85,599
<b>TOTAL EXPENDITURE</b>	<b>1,230,013</b>	<b>3,196,961</b>

**Education and Training Special Schools 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	1,530,523	1,679,499
Unestablished Staff	1,024	4,107
Travel & Communication	11,493	12,136
Maintenance & Operations	35,865	29,619
Purchase of Goods & Services	132,937	191,952
Operating Grants & Transfers	401,132	2,014,985
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>2,120,213</b>	<b>3,941,568</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	29,544	21,497
<b>TOTAL EXPENDITURE</b>	<b>2,149,757</b>	<b>3,963,065</b>

**Education & Training Primary Schools Radio Broadcasts 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	195,397	225,238
Unestablished Staff	9,183	10,053
Travel & Communication	7,327	7,946
Maintenance & Operations	34,429	28,853
Purchase of Goods & Services	70,021	27,766
Operating Grants & Transfers	12,192	1,578,685
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>335,788</b>	<b>1,887,811</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	11,458	7,507
<b>TOTAL EXPENDITURE</b>	<b>347,246</b>	<b>1,895,318</b>

**Education & Training Secondary Schools Radio Broadcasts 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	113,704	130,158
Unestablished Staff	9,183	10,053
Travel & Communication	4,918	4,816
Maintenance & Operations	32,667	27,380
Purchase of Goods & Services	69,625	27,278
Operating Grants & Transfers	12,192	1,578,685
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>249,528</b>	<b>1,787,640</b>
<b>Capital Expenditure</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>---</b>
Value Added Tax	11,804	6,789
<b>TOTAL EXPENDITURE</b>	<b>261,332</b>	<b>1,794,429</b>

**Indigenous Development Education Support 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	292,672	266,935
Unestablished Staff	15,104	13,103
Travel & Communication	6,752	6,971
Maintenance & Operations	36,776	28,527
Purchase of Goods & Services	63,264	64,170
Operating Grants & Transfers	103,385	1,670,339
Special Expenditures	7,239	9,270
<b>Total Operating Costs</b>	<b>525,192</b>	<b>2,059,315</b>
<b>Capital Expenditure</b>		
Capital Construction	369,250	336,822
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>369,250</b>	<b>336,822</b>
Value Added Tax	60,103	41,416
<b>TOTAL EXPENDITURE</b>	<b>954,545</b>	<b>2,437,553</b>

**Preservation of National and Cultural Heritage 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	163,479	149,343
Unestablished Staff	3,772	4,118
Travel & Communication	7,441	9,195
Maintenance & Operations	5,913	8,538
Purchase of Goods & Services	15,516	17,077
Operating Grants & Transfers	153,445	92,814
Special Expenditures	---	---
<b>Total Operating Costs</b>	<b>349,566</b>	<b>281,085</b>
<b>Capital Expenditure</b>		
Capital Construction	---	88,889
Capital Purchases	---	---
Capital Grants & Transfers	---	---
<b>Total Capital Expenditures</b>	<b>---</b>	<b>88,889</b>
Value Added Tax	6,743	15,203
<b>TOTAL EXPENDITURE</b>	<b>356,309</b>	<b>385,177</b>

**Cultural Enhancement Programme 2009**

Description	2009 \$	2008 \$
<b>EXPENDITURE</b>		
<b>Operating Costs</b>		
Established Staff	163,479	149,343
Unestablished Staff	3,772	4,118
Travel & Communication	7,441	9,195
Maintenance & Operations	5,913	8,538
Purchase of Goods & Services	15,516	17,077
Operating Grants & Transfers	609,454	552,189
Special Expenditures	188,549	---
<b>Total Operating Costs</b>	<b>994,124</b>	<b>740,460</b>
<b>Capital</b>		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	147,000	147,000
<b>Total Capital Expenditures</b>	<b>147,000</b>	<b>147,000</b>
Value Added Tax	6,743	4,275
<b>TOTAL EXPENDITURE</b>	<b>1,147,867</b>	<b>891,735</b>

**Appendix 18.2: Officers with Excessive Annual Leave Carried Forward**

<b>Officer</b>	<b>ID</b>	<b>Post</b>	<b>Leave Due (Days)</b>	<b>Leave Liability (\$)</b>
Asilika Tiva Natavo	15789	Clerical Officer	10.2	226.75
Apenisa Nodrayaca	9877	Stores Officer	10.32	442.82
Serenia Rawalai	42067	Senior Education Officer	10.44	902.74
Ranjila Singh	19600	Accountant	10.51	658.29
Mohammed Rafiq	93801	Senior Education Officer	10.97	1,244.76
Sakil Savinesh Chand	93626	Clerical Officer	11	244.54
Maria B Takalaiono Radrodro	5805	Domestic Assistant	11.12	126.16
Sashi Prasad Sharma	42979	Admin Officer	11.17	624.02
Mere Ravula	41138	Senior Domestic Assistant	11.69	92.31
Salome Namata Sili	93809	Senior Education Officer	11.94	517.77
Timoci Cuva	16733	Education Officer	11.94	855.28
Josaia Toduadua	7463	Education Officer	11.94	855.28
Narend Prasad	59661	Senior Education Officer	11.97	880.67
Mikaele Rokosova Leawere	9293	Divisional Education Officer	11.97	1,335.85
Rosi Qasivakaloloma	42822	Typist	12	235.99
Mareta Vua	47595	Telephone Operator	12.13	346.97
Luisa Tavisa	64912	Senior Domestic Assistant	12.45	111.32
Kinisimere Bulivono	59722	Typist	12.92	326.77
Mere-Wairita Ecawa Naisua-Moci	93807	Senior Education Officer	12.94	1,085.01
Ravai Panipasa Antonio	42243	Education Officer	12.94	803.57
Camari N Ravisa	16166	Senior Clerical Officer	13.03	185.88
Nanise Namakadre	53421	Senior Accountant	13.07	371.91
Latileta L Pickering	44805	Typist	13.11	419.27
Arishma Vishwa	64925	Clerical Officer	13.12	375.29
Vikash Rao	61142	Executive Officer	13.47	766.82
Jofiliti Kautawacava	14764	Clerical Officer	13.5	294.34
Marica Tuivanua	49199	Senior Clerical Officer	13.59	569.86
Rusiate Sobita Tunisau	15324	Technical Assist.	13.67	684.74
Emele Yavala	6247	Executive Officer	14.01	510.95
Emi Bainimarama	15490	Admin Officer	14.02	783.23
Maria Vira Bola	64619	Typist	15.01	333.68
Yogita Devi Prasad	53821	Clerical Officer	15.9	454.81
Miriama Korodrau Namosimalua	67414	Senior Education Officer	15.94	1,194.67
Nilesh Chand	42041	Education Officer	15.94	1,141.81
Mere Vosayaco	56720	Computer Operator	15.99	424.31
Aarti Vandhana	64641	Clerical Officer	16.56	473.69
Anand Prakash	62403	Technical Assist.	16.67	348.42
Saimone Cabealawa	64631	Senior Education Officer	16.75	1,448.37
Veronika Bulicakau	60663	Typist	17.38	749.11
Sau Titilia Mateitoga	62703	Education Officer	17.44	1,249.26
Pita Cavakilagi	42698	Senior Education Officer	17.94	1,551.27
Alisi Kamakorewa	12783	Typist	18	185.26
Elina Raiwalui	14601	Admin Officer	18.32	1,023.45
Senitieli Tawake	63547	Agricultural Officer	18.73	1,074.76
Laleshni Sumi Lata	5454	Clerical Officer	18.78	537.19
Kelera N Uqeuqe	53552	Typist	18.82	538.33
Prabha Mani Nair	8184	Education Officer	18.94	1,052.47
Evalin Radhika Sami	43298	Typist	19	521.56
Narendra Verma	47566	Assistant Accounts Officer	19.22	933.91
Asaeli Waqalevu	53516	Education Officer	19.44	1,684.07
Panapasa Balekana	53047	Education Officer	19.94	1,595.04

Officer	ID	Post	Leave Due (Days)	Leave Liability (\$)
Saula Koroinivalu	62283	Divisional Education Officer	19.94	2,241.00
Mahendra Prasad	9407	Education Officer	19.94	1,428.34
Tomo Hereniko	90192	Unknown	19.94	1,724.21
Saravina Tabaki Draunidalo	62104	Senior Domestic Assistant	19.95	626.07
Vinaiasi Tualau Ciba	62692	Clerical Officer	20.33	650.17
Pratika Chand	91089	Clerical Officer	20.38	582.96
Varanisese Naivalurua	62230	Education Officer	20.44	1,464.16
Evelyn Kiran Devika	42812	Assistant Accounts Officer	20.68	1,004.85
Mere Ratonabuabua	55590	Principal Admin Officer	20.68	2,014.94
Alumita Volaubalavu	62307	Accountant	20.87	1,014.09
Setoki Mataitoga	61492	Senior Education Officer	20.94	1,810.68
Vilikesa Naivalucava	56279	Education Officer	20.94	1,499.97
Seci Waqabaca	60828	Senior Education Officer	20.94	1,810.68
Peni Vasuturaga	93731	Education Officer	20.97	1,501.49
Amelia Tadulala	42795	Secretary	21.21	994.71
Leona Frances Vuniivi	42235	Typist	21.37	540.47
Lavenia Ratukonadi	7699	Secretary	21.42	1,004.56
Unaisi Marama Naqoli Vukuwale	16240	Typist	21.5	590.19
Prem Chand Sharma	42630	Education Officer	21.94	1,897.15
Albert Soderberg	43006	Senior Education Officer	21.94	1,954.05
Vilimaina Yacabula	57363	Secretary	21.98	1,003.05
Lusiana Senibulu	17557	Senior Education Officer	22.94	1,983.62
Lusiana Lala	64667	Senior Education Officer	22.94	2,708.62
Peni Cavuilagi	64628	Director	22.97	3,051.35
Savaira Bolaqace	44049	Typist	23.34	932.25
Tokasa Naiua Gray	93695	Senior Education Officer	24.44	2,113.32
Kirisitiana Vameau Ikanidrodoro	44079	Secretary	24.61	1,123.07
Brij Lal	58726	Chief Education Officer	24.94	3,308.73
Talica Malani	64696	Education Officer	24.95	1,816.89
Miriama Vereivalu	8660	Assistant Accounts Officer	24.95	1,562.73
Lydia M Fox	61568	Typist	25.01	555.99
Sophia Mudaliar	7628	Typist	25.14	719.11
Jieni Luise Ravai	9771	Education Officer	26.94	1,929.76
Mere Labati	62892	Chief Admin Officer	26.96	3,347.63
Manisha Prakash	9420	Senior Education Officer	27.44	2,735.63
Sanjay Singh	67324	Executive Officer	27.83	1,234.99
Vasiti Biunaiwai Loki	8834	Education Officer	27.94	1,894.47
Roshni Devi Singh	55089	Typist	28.05	802.35
Vandhna Shyama Kumar	62404	Clerical Officer	28.08	803.21
Melaia Malo	61570	Admin Officer	28.3	1,580.99
Timaleti Ratavola	56634	Clerical Officer	28.32	810.08
Salaseini Kurunawai	64508	Senior Secretary	28.39	2,027.08
Makereta Draunibaka	15250	Senior Education Officer	28.94	2,502.44
Pratima Sharma	15789	Admin Officer	29.28	1,635.74
Apenisa Matairavula	9877	Principal Admin Officer	29.28	2,963.80
Josaia Bainivalu	42067	Clerical Officer	29.4	653.58
Rokobua V Naiyaga	19600	Deputy Secretary(P)	29.44	4,755.13
Aseri Tinai Cabeiwasa	93801	Clerical Officer	30.09	1,016.53
Avimeleki Qionitoga	93626	Building Supervisor	30.44	1,312.18
Satendra Deo	5805	Chief Education Officer	30.94	4,104.74
Abdul Qayyum Khan	42979	Education Officer	31.68	2,660.77
Ivamere Driu	41138	Assistant Accounts Officer	31.69	906.47
Lele Radilaite Nawalowalo	93809	Admin Officer	31.79	1,751.16
Sereima Dauvana Corerega	16733	Clerical Officer	31.93	695.62

Officer	ID	Post	Leave Due (Days)	Leave Liability (\$)
Filimoni Naiceru Laulaba	7463	Technical Assist.	32.01	826.81
Taraivini Nauga	59661	Clerical Officer	32.32	816.26
Isoa Musuqio	9293	Education Officer	32.44	2,805.08
Raj Kumar	42822	Principal Admin Officer	33.66	4,141.57
Roshni D Nand	47595	Secretary	33.69	1,659.97
Karuna K Nair	64912	Assistant Accounts Officer	33.69	2,110.16
Ilisapeci Ratuuvuku	59722	Executive Officer	33.77	1,455.54
Akuila Turagabeci	93807	Education Officer	34.35	2,885.02
Veniana Sugu Rokovui	42243	Typist	34.88	997.72
Sitiveni Naileqe Loco	16166	Senior Education Officer	34.94	3,964.63
Amelia A Tokalauvere	44724	Education Officer	34.94	2,794.91
Mukesh Pala	53421	Admin Officer	34.95	1,952.50
Kamal Shasaiya Mani	44805	Technical Assist.	35.06	1,144.46
Alesh Chandra	64925	Clerical Officer	35.55	935.24
Virisila Seru	61142	Typist	35.77	1,023.18
Sositina Kula Saro	14764	Secretary	36.86	1,588.73
Keni Seva Vakamino	49199	Principal Education Officer	37.44	4,077.46
Augustus Mualele Smith	15324	Clerical Officer	37.46	799.42
Koleta Tukana Senimoli	6247	Domestic Assistant	37.56	753.68
Rajeshni Lata	15490	Clerical Officer	37.73	838.77
Osea Bola Tuirabe	15806	Clerical Officer	38	844.77
Mosese Waqa Naicequlevu	64619	Storeman	38.62	866.40
Chandrika Prasad	42105	Senior Education Officer	38.94	3,791.09
Suliasi Vuli	53821	Education Officer	38.94	3,367.13
Leba Sikiti Taufa	67414	Typist	39.07	948.52
Sereana Rokovusoni	42041	Secretary	39.1	1,601.06
Mereani Tuivanuavou	56720	Senior Domestic Assistant	39.48	1,152.08
Rajendra Prasad	64641	Senior Education Officer	40.94	3,540.07
Birendra Kumar	62403	Storeman	41.06	907.04
Usaia Vakataga	60663	Senior Education Officer	41.94	4,421.90
Amrit P Ram	62703	Education Officer	42.94	3,075.87
Asilika Rarolo Uluiakeba	42698	Education Officer	43.31	3,637.56
Kaliti Mate	12783	Chief Admin Officer	43.42	5,391.48
Govind Sami	14601	Director	43.44	8,788.25
Sakaia K Waqaniburotu	49960	Senior Education Officer	43.44	3,756.25
Iosefo Tevita Volau	63547	Principal Education Officer	43.94	5,829.41
Lorima Materua Voravora	5454	Divisional Education Officer	43.94	4,985.86
Hari Krishna	53552	Education Officer	44.44	3,842.72
Mereani Draunimasi	8184	Executive Officer	45.11	1,944.32
Seruwaia Sovanivalu	43298	Accountant	45.32	3,701.55
Sujit Kumar	47566	Technical Assist.	46.03	942.86
Ashika Shelvin Chand	53516	Assistant Accounts Officer	47.03	1,345.26
Arunesh Permal	53845	Systems Analyst	47.07	3,076.49
Eci Tekuru Naisele	53047	Senior Education Officer	47.94	4,145.36
Sokoveti Nakabuniceva	9407	Senior Education Officer	48.97	4,882.07
Shobhna Devi	90192	Clerical Officer	51.22	2,207.67
Virendran Sami	62104	Storeman	51.98	1,079.58
Sekove Vadei	62692	Senior Education Officer	52.94	6,007.09
Laleena Vandhna Devi	91089	Executive Officer	53.81	2,319.30
Ram Chandar	62230	Deputy Secretary(P)	53.94	10,912.48
Manjula Shah	42812	Executive Officer	55.27	3,087.68
Tikiko Lewesi	55590	Senior Education Officer	55.44	4,793.88
Vaseva Vunidakai Vuli	62307	Executive Officer	59.56	2,567.13
Sereiseini K Vukikomoala	63075	Education Officer	59.94	5,183.00

Officer	ID	Post	Leave Due (Days)	Leave Liability (\$)
Manisha Ramrakha	61492	Senior Education Officer	59.94	5,183.00
Betty Adikili Elizabeth Chute Jitoko	56279	Principal Education Officer	60.21	7,476.30
Kamlesh C Sharma	60828	Senior Education Officer	60.94	6,169.67
Sagali Buadromo	93731	Senior Admin Officer	60.95	6,169.51
Sanju Mala Arya	42795	Executive Officer	67.95	3,796.05
Sipiriano Ratucoke	42235	Education Officer	78.94	3,716.90
Nacanieli Dakaitabu Draseru	7699	Agricultural Tech Officer	80.72	3,479.17
Vijendra Karan	16240	Principal Accountant	126.3	16,996.19
<b>Total Liability</b>				<b>\$334,253.50</b>

**Appendix 18.3: Overpayment of Salaries in 2009**

No.	TPF & Name	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
1	60357 Elia Matawalu	571.88	320.00	251.88	Forfeiture Of Salary
2	48395 Alisi Kamakorewa	546.74	95.65	451.09	7 Days Excessive Leave And Late Arrival
3	80844 Epeli Kalou	153.42	45.00	108.42	Input Error
4	19600 Vilimana Yacabula	598.42	200.00	398.42	11Days Excessive Leave
5	07410 Luse Vuarua	786.95	150.00	636.95	Excessive Leave
6	53724 Mereani Serukeibau	297.62	174.22	123.4	35 Hrs N 35 Mins Late Arrival
7	69856 Karuna Mala Prasad	2084.53	1,678.08	406.45	Overpayment Due To Finance Punching Error
8	81109 Petero Pene	1736.22	1,509.29	226.93	Forfeiture Of 28 Days Salary 13/08-15/08,01/09/09-25/09/08
9	67682 Suliasi Kure	533.67	480.00	53.67	Forfeiture Of14 Days Salary
10	69415 Losalini Rokovada	1322.48	1,200.00	122.48	Forfeiture Of 93 Days Salary
11	69286 Akisi Votayalewa	1818.37	1,151.00	667.37	Study Leave Without Pay
12	68636 Mohini Lata Chand	871.13	800.00	71.13	Salary Received On An Incorrect Scale
13	54411 Manoa Senikawa	1587.77	649.98	937.79	Overpayment Of Acting
14	68475 Laisenia Kasa	1974.03	420.00	1554.03	Not Eligible For Acting
15	57177 Unaisi Nayagodamu	366.57	274.92	91.65	Boarding Allowance Paid Twice
16	57217 Semi Usakilakeba	5275.47	4,988.00	287.47	Overpayment Of Acting
17	65034 Navu Maiwaqa	3440.13	2,151.10	1289.03	Acting Allowance
18	69170 Savitra Narayan	3040.16	1,800.00	1240.16	Actg Arrears Wef 21/01/09 - 23/09/09
19	65529 Meli Wvu Lagavatu	1439.04	600.00	839.04	Actg Arrears Wef 18/06 - 21/10/09
20	65988 Salote Tuinamata	1649.77	500.00	1149.77	Maternity Leave Wef 0/06 - 21/08/09
21	56984 Pauliasi Taura	2201.82	1,650.00	551.82	Actg Allowance Wef 26/01 - 21/10/09
22	54550 Sainiana Vitivou	3337.56	990.00	2347.56	Actg Allowance
23	54077 Losewati G	5654.69	2,200.00	3454.69	Actg Allowance
24	54859 Dharmendra Reddy	1676.07	1,100.00	576.07	Overpayment Of Acting
25	80723 Vilikesa Lewanaya	14172.66	1,500.00	12672.66	Overpayment Of Salary (GIA & TCS Wef 29/01/06 - 07/10/06)
26	65141 Milliana Waqaniyale	1610.8	1,050.00	560.8	Maternity Leave With 50% Pay Wef 20/07 - 11/10/09

No.	TPF & Name	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
27	56920 Senimili Donu	1755.61	1,100.00	655.61	Maternity Leave With 50% Pay Wef 17/06 - 08/09/09
28	81098 Sagar Ajeshni Raj	1465.59	600.00	865.59	Acting Overpaid Due To Wrong Dates Given By Personnel Section
29	66590 Akanisi Cerecere	479.63	-69.63	549.26	Opr Upon Maternity Leave Wef 29/10/09
30	65923 Kamini Sharan	971.38	300.00	671.38	Overpayment Of Salary Wef 20/01 - 11/02/08
31	80316 Tomasi Qio	2072.11	800.00	1272.11	Excessive Impatient Sick Leave Wef 21/07 - 07/09/09
32	67838 Amelia Sadrodro	1555.86	720.00	835.86	Maternity Leave Wef 03/06 - 26/08/09
33	68519 Ronesh Kumar	274.33	0	274.33	Resignation Wef 29/11/08 Salary Ceased On 12/02/08 (Officer Went On Leave Wop Wef 07/02/08)
34	82704 Paul Johnson Laginikoro	471.01	0	471.01	Resignation Wef 07/01/09 Salary Ceased 15/01/09
35	80103 Mohammed Shamim	373.37	0	373.37	Resignation Wef 10/05/08 Salary Ceases 20/05/08
36	81634 Jennet Shabnam	336.04	0	336.04	Resignation
37	43536 Sereaia Tagicakibau	669.48	0	669.48	Deemed To Resigned
38	69724 Romanu Tikotiko	121.71	0	121.71	Resignation Wef 26/01/09 Ceased Wef 29/01/09
39	69933 Faiyazu Dean	571.49	0	571.49	Resignation Wef 19/01/09 Ceased Wef 29/01/09
40	80328 Farzana Bano	57.92	0	57.92	Resignation Wef 15/01/09 Ceased Wef 19/01/09
41	67944 Pradeep Chand Lal	571.49	0	571.49	Resignation Wef 18/01/09 Ceased Wef 29/01/09
42	68657 Ashik Chand	971.52	0	971.52	Resignation Wef 26/01/09 Ceased Wef 12/02/09
43	80802 Sharmila Permal	410.83	0	410.83	Resignation Wef 16/01/09
44	66485 Punita Singh	43.94	0	43.94	Resignation Wef 18/01/09 Ceased Wef 19/01/09
45	65907 Riteshwar Naidu	104.63	0	104.63	Resignation Ceased Wef 12/02/09
46	69937 Vandhana Rao	57.07	0	57.07	Resignation
47	68789 Apisaki Raseki	126.83	0	126.83	Resignation
48	57557 Dharvendra Datt	834.42	0	834.42	Resignation
49	55409 Asenaca Toga	1474.67	0	1474.67	Resignation
50	68114 Deo Dutt Lal	707.54	0	707.54	Resignation
51	81733 Filipe Tokalaivi	761.14	0	761.14	Resignation. Officer Went On LWOP
52	81597 Maikali	42.28	0	42.28	Resignation Wef 15/04/09. Salary Ceased

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No.	TPF & Name	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
	Levukaciwa				On 16/04/09.1 Day Opr
53	80070 Seru Vuiyasawa	1433.44	0	1433.44	Resignation Wef 02/03/09. Salary Ceased 23/03/09.Reversed Pay 06/09
54	81444 Nawainta Prasad	616.06	0	616.06	Resignation Wef 26/09/08. Salary Ceased 07/10/08
55	67985 Sony Sharma	57.08	0	57.08	Resignation Wef 25/03/09. Salary Ceased 09/04/09.Reversed P07/09
56	66635 Chandra Singh	463.01	0	463.01	Resignation Wef 30/04/09. Salary Ceased 07/05/09
57	69125 Raveena Lata	5047.64	0	5047.64	Termination From Service Wef 21/01/08. Salary Ceased 22/04/09
58	82080 Shazia Nisha	253.66	0	253.66	Resignation Wef 17/04/09. Salary Ceased 23/04/09
59	82117 Aakasshni Prasad	972.6	0	972.6	Resignation Wef 20/01/09. Salary Ceased 12/02/09.
60	43837 Indar Deo	171.39	0	171.39	Resignation Wef 09/02/09. Ceased 26/02/09. Reversed P04/09
61	9741 Sivaniasi Toroca	78.58	0	78.58	Resignation Wef 20/05/09. Salary Ceased 21/05/09. 1 Day Opr
62	56992 Asok Mani	392.1	235.2	156.9	Resignation Wef 21/01/09. Salary Ceased 12/02/09.Reversed P03/09.
63	56258 Tetiku Amon	66.13	0	66.13	Resignation Wef 17/05/09. Salary Ceased 18/05/09. 1 Day Opr
64	44814 Maya Wati Prasad	792.16	0	792.16	Resignation Wef 13/04/09. Salary Ceased 23/04/09.10 Days Opr
65	81628 Kajol Kavita Chand	171.39	0	171.39	Resignation Wef 18/05/09. Salary Ceased Wef 04/06/09. Reversed P11/09 JV # 92/06/09
66	65694 Gabeille Qoro	1310.89	0	1310.89	Termination Of Appointment Wef 26/01/09. Salary Ceased Wef 26/02/09
67	67712 Walitia Tuimoala	276.62	0	276.62	Termination Of Appointment Wef 26/01/09. Officer Went On Leave Without Pay And Was Supposed To Resume Duties Wef 21/01/08
68	54513 Rashini Nand	1142.99	0	1142.99	Resignation Wef 20/03/09. Salary Ceased Wef 09/04/09
69	9847 Vaseva Toasisi	166.83	0	166.83	Resignation Wef 07/03/09. Salary Ceased Wef 12/03/09. Reversed P05/09
70	55749 Mohammed Razak	159.62	0	159.62	Resignation Wef 01/06/09. Salary Ceased 03/06/09
71	55643 Kameli Sovatabua	376.97	0	376.97	Resignation Wef 12/05/09. Salary Ceased Wef 20/05/09
72	44814 Maya Wati Prasad	792.16	0	792.16	Resignation Wef 13/04/09. Salary Ceased 23/04/09
73	49199 Timaleti Ratavola	494.23	0	494.23	Termination Of Appointment Wef 10/02/09. Salary Ceased Wef 25/02/09
74	3827 Fipe Vakalegu	590.16	0	590.16	Termination Of Appointment Wef 16/01/09. Salary Ceased Wef 29/01/09
75	80435 Sanjay Kumar	171.39	0	171.39	Resignation Wef 27/07/09. Salary Ceased Wef 30/07/09
76	8111 Prem Prabha	251.37	0	251.37	Resignation Wef 17/05/09. Salary Ceased Wef 20/05/09

No.	TPF & Name	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
77	81096 Nanise Bale	1776.09	0	1776.09	Resignation Wef 18/06/09. Salary Ceased Wef 30/07/09
78	66076 Azreen Nisha Khan	5640.15	0	5640.15	Termination Of Appointment Wef 18/05/09. Salary Ceased Wef 13/08/09. The Folio For Notification Of Termination Was Not Marked To Salaries Section But Was Actioned By DSF On The 27/05/09
79	54059 Nasau Eta Tora	1576.36	0	1576.36	Termination Of Appointment Wef 06/04/09. Salary Ceased Wef 07/05/09.
80	67772 Kelvin Narayan	171.39	0	171.39	Termination Of Appointment Wef 26/01/09. Salary Ceased Wef 12/02/09(P04/09) Reversed Was P03/09 JV# 09/08/09. Opr Wef 26/01/09 - 28/01/09
81	9151 Kulshan Sabira	967.88		967.88	Retirement Wef 01/04/09. Salary Ceased Wef 23/04/09. Opr Wef 01/04/09 - 22/04/09
82	81288 Praneel Sharma	681.81	0	681.81	Resignation Wef 04/07/09. Salary Ceased 16/07/09. PSC Loan \$897.48
83	7844 Mohammed Nazir	2069.02	0	2069.02	Retirement Wef 14/06/09. Salary Ceased 16/07/09. Opr Wef 14/06/09 - 15/07/09
84	54688 Parmendra Lal	2171.62	0	2171.62	Resignation Wef 20/03/08. Salary Ceased 01/07/08. Opr Balance Remaining \$2171.29
85	9760 Mohammed Ashik Ali	708.62	0	708.62	Termination Wef 19/11/08. Salary Ceased Wef 16/12/08. Reversed P25/08.(JV# 11/02/08
86	8897 Luke Molikere	1128.79	0	1128.79	Termination Wef 16/01/04. Salary Ceased Wef 01/01/05. Reversed P26/04 (Jv# 327/12/04
87	8395 William Rosa	64.70	0	64.70	Retirement Wef 12/08/09. Salary Ceased Wef 13/08/09. 1 Day Opr
88	82080 Seemi Devi	263.08	0	263.08	Resignation Wef 17/04/09. Salary Ceased Wef 23/04/09
89	9542 Etuate Kamawale	456.28		456.28	Resignation Wef 21/08/09. Salary Ceased Wef 28/08/09
90	8739 Eparama Mateikiwai	1544.31	0	1544.31	Resignation Wef 20/08/09. Salary Ceased Wef 24/08/09
91	66933 Rokomere Namele	269.34	0	269.34	Resignation Wef 01/03/09. Salary Ceased Wef 12/03/09
92	57429 Josese Drekinini	792.42	0	792.42	Deem To Resign
93	8826 Romanu Nagata	841.48	0	841.48	Resignation Wef 27/09/09. Salary Ceased Wef 08/10/09
94	8270 Mereisi Sinusere Tupou	2180.21	0	2180.21	Retirement Wef 05/06/09. Salary Ceased Wef 16/07/09
95	83576 Sanjeevni Vishu Kirti	360.16	0	360.16	Resignation Wef 20/07/09. Salary Ceased Wef 30/07/09
96	82199 Imraaz Ali	142.99	0	142.99	Resignation Wef 24/07/09. Salary Ceased Wef 12/08/09
97	69072 Judy Waqalala	324.73	0	324.73	Termination Of Appointment Wef 26/01/09. Salary Ceased Wef 29/01/09
98	56296 Vasiseva Babitu	490.83	0	490.83	Termination Of Appointment Wef 16/04/09. Officer Was On Leave Without Pay Wef 19/01/09
99	56542 Maca Teqe	946.79	0	946.79	Termination Wef 30/10/08. Salary Ceased

No.	TPF & Name	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
					02/12/08
100	55125 Laisani Saukuru	694.11	0	694.11	Termination Wef Appointment Wef 14/09/09
101	56262 Sosiceni Bakadreti	851.22	0	851.22	Termination Of Appointment Wef 07/09/09. Salary Ceased 24/09/09
102	80185 Rohit Lingam	661.24	0	661.24	Resignation Wef 27/07/09
103	82839 Afshreen Khan	126.83	0	126.83	Termination Wef 129/01/09
104	82574 Natasha Zarina Ali	718.86	0	718.86	Termination Wef 18/05/09
105	44814 Maya Wati Prasad	792.16	0	792.16	Resignation Wef 13/04/09. Salary Ceased 23/04/09
106	81769 Ravita Devi Prasad	2971.79	0	2971.79	Resignation Wef 13/04/09. Salary Ceased Wef 18/06/09
107	81967 Jyotika Kumar	3511.42	0	3511.42	Resignation. Officer Was On Leave Without Pay Wef 21/01/08 - 24/03/09
108	81820 Keresi Gale	1480.08	0	1480.08	Termination Of Appointment Wef 23/07/09. Salary Ceased Wef 27/08/09
109	65861 Meena Buksh	1028.68	0	1028.68	Resignation Wef 15/11/09. Salary Ceased 03/12/09
110	81623 Pramita Nadan	29261.24	0	29261.24	Overpayment Due To Absconded Form Duties
111	67968 Devendra Narain	342.87	0	342.87	Resignation Wef 27/11/09. Salary Ceased Wef 03/12/09
112	68945 Hasमुख Lal	57.08	0	57.08	Resignation Wef 18/11/09. Salary Ceased 19/11/09
113	58197 Olivia Ratukalou	256.83	0	256.83	Resignation Wef 23/12/09. Salary Ceased Wef 01/10/10
114	83634 Sundeep Sharma	1314.46	0.00	1314.46	Termination Wef 27/10/09. Salary Ceased Wef 18/11/09
115	57218 S. Waqa	81.34	0.00	81.34	Termination Wef 07/09/09. Salary Ceased Wef 09/09/09
116	08605 Latchmi Prasad	2908.57	0.00	2908.57	Retirement Wef 18/05/09
117	43865 Soweri Ravouvou	6418.42	0.00	6418.42	Retirement From Service Wef 18/05/09
118	63564 Sanaila Ravaia	727.13	0.00	727.13	Termination Wef 16/11/09. Salary Ceased Wef 03/12/09
119	54440 Vijendra Prakash	911.04	0.00	911.04	Resignation Wef 16/02/09. Salary Ceased Wef 26/02/10
120	54981 Rita Furivai	203.38	0.00	203.38	Resignation From Service. 4 Days Opr Wef 25/01 - 28/01. Reversed P03/10 Jv# 06/02/10. Salary Ceased 12/05/10

**Appendix 18.4: Excessive Telecom Calls to Overseas Numbers**

Date	Start Time	Duration	Number Called	Place Called	Call Charges \$
13/02/09	08:14:31	11:50	6478470069	NEW ZEALAND	5.82
10/02/09	12:34:33	10:39	6478470069	NEW ZEALAND	5.18
11/02/09	16:46:52	5:45	6478470069	NEW ZEALAND	2.56
25/02/09	07:16:32	19:38	6492759122	NEW ZEALAND	9.99
29/10/09	10:33:41	26:19	6492759122	NEW ZEALAND	14.10
28/07/09	15:43:57	26:28	6492759122	NEW ZEALAND	14.15
02/02/09	12:31:54	12:39	6495706610	NEW ZEALAND	6.25
13/07/09	12:48:45	18:27	6495706610	NEW ZEALAND	9.88
13/10/09	06:41:56	6:25	44773345503	U.KINGDOM	3.47
13/02/09	16:04:11	26:25	61246284134	AUSTRALIA	14.15
10/02/09	16:30:12	15:10	61246284134	AUSTRALIA	8.12
10/02/09	17:40:00	15:44	61416524021	AUSTMOBILE	11.00
25/02/09	07:49:19	11:10	64211359071	NZMOBILE	8.32
26/02/09	09:22:16	12:17	64211359071	NZMOBILE	9.14
24/02/09	09:54:08	33:41	64211359071	NZMOBILE	24.30
20/10/09	10:30:49	32:37	64211359071	NZMOBILE	24.30
08/07/09	10:31:37	14:32	64211359071	NZMOBILE	10.85
26/02/09	10:32:59	17:50	64211359071	NZMOBILE	12.71
09/02/09	13:33:03	27:39	64211359071	NZMOBILE	19.84
23/10/09	14:25:14	8:16	64211359071	NZMOBILE	6.17
07/10/09	14:57:13	23:01	64211359071	NZMOBILE	17.16
01/10/09	15:29:38	9:45	64211359071	NZMOBILE	7.28
01/10/09	15:40:08	14:45	64211359071	NZMOBILE	11.00
13/02/09	15:14:06	10:49	64273921624	NZMOBILE	7.36
31/07/09	06:32:07	16:22	447733455030	U.KINGDOM	8.76
19/02/09	06:45:37	11:44	447733455030	U.KINGDOM	5.77
07/10/09	06:48:37	7:47	447733455030	U.KINGDOM	4.17
10/02/09	06:51:12	18:7	447733455030	U.KINGDOM	9.72
08/10/09	06:51:56	20:53	447733455030	U.KINGDOM	11.16
06/10/09	06:54:32	5:20	447733455030	U.KINGDOM	2.88
26/10/09	06:57:28	10:33	447733455030	U.KINGDOM	5.66
17/02/09	06:58:08	8:50	447733455030	U.KINGDOM	4.33
14/07/09	07:02:41	6:11	447733455030	U.KINGDOM	3.31
24/07/09	07:05:47	7:36	447733455030	U.KINGDOM	4.06
22/07/09	07:14:29	12:36	447733455030	U.KINGDOM	6.73
02/02/09	07:15:41	11:59	447733455030	U.KINGDOM	5.87
09/02/09	08:45:46	50:48	447919383840	U.KINGDOM	26.59
12/02/09	09:18:34	132:48	447919383840	U.KINGDOM	70.38
17/02/09	09:27:32	10:25	447919383840	U.KINGDOM	5.61
05/02/09	09:37:12	50:13	447919383840	U.KINGDOM	26.86
19/02/09	09:47:21	101:70	447919383840	U.KINGDOM	54.04
17/02/09	10:04:01	79:10	447919383840	U.KINGDOM	42.29
23/02/09	10:12:56	87:39	447919383840	U.KINGDOM	46.30
27/02/09	10:21:59	48:55	447919383840	U.KINGDOM	25.63
25/02/09	10:24:51	9:25	447919383840	U.KINGDOM	5.07
25/02/09	10:36:03	97:10	447919383840	U.KINGDOM	51.85

Date	Start Time	Duration	Number Called	Place Called	Call Charges \$
05/02/09	11:00:04	56:49	447919383840	U.KINGDOM	29.85
27/02/09	11:11:47	41:31	447919383840	U.KINGDOM	21.68
20/02/09	11:13:25	12:37	447919383840	U.KINGDOM	6.25
20/02/09	11:27:53	4:51	447919383840	U.KINGDOM	2.08
27/02/09	11:53:19	11:13	447919383840	U.KINGDOM	6.03
20/02/09	12:04:05	33:48	447919383840	U.KINGDOM	17.52
02/02/09	12:05:29	45:37	447919383840	U.KINGDOM	23.87
25/02/09	16:05:33	4:11	447919383840	U.KINGDOM	2.24
25/02/09	16:14:08	105:16	447919383840	U.KINGDOM	56.23
05/02/09	17:49:31	40:56	447919383840	U.KINGDOM	21.36
05/02/09	18:44:51	22:36	447919383840	U.KINGDOM	11.53
27/02/09	17:57:36	36:48	491628805821	GERMANY	23.95
20/02/09	08:24:32	9:43	642102370270	NZMOBILE	6.54
28/02/09	11:13:46	13:40	642102370270	NZMOBILE	9.73
23/02/09	13:00:11	27:43	642102370270	NZMOBILE	19.91
27/02/09	15:20:04	9:60	642102370270	NZMOBILE	6.76
18/02/09	15:27:52	6:16	642102370270	NZMOBILE	4.68
25/02/09	15:43:07	12:29	642102370270	NZMOBILE	9.29

### Appendix 18.5: Anomalies in Book Trust Fund Account – Suva Grammar School

Cheque No.	Date	Particulars	Amount (\$)	Type of Trust Fund	Anomalies
4462	19/01/09	Purchase of table for the canteen from Nair Brothers	480	Book	Payment not in line with the trust fund policy. Also, purchase for canteen use.
4468	20/01/09	Purchase of 100 swim bags from Duncan Industrial	450	Book	Payment not in line with the trust fund policy
4488	28/01/09	Payment for Vodafone bills for the month of December 2008 - 9999021	212.41	Book	Payment not in line with the trust fund policy
4494	02/02/09	Purchase of one set of Lounge Suit for Chaplain quarters from Courts Homecenters	450	Book	Payment not in line with the trust fund policy
4507	06/02/09	Purchase of one "pig" for traditional presentation on the installation of new Chaplain from QVS	300	Book	Payment not in line with the trust fund policy
4518	12/02/09	Purchase of 35 Back Packs from Duncan Industrial	455	Book	Payment not in line with the trust fund policy
4519	12/02/09	Purchase of 35 Back Packs from Duncan Industrial	455	Book	Payment not in line with the trust fund policy
4525	16/02/09	Purchase of 30 Back Packs from Duncan Industrial	390	Book	Payment not in line with the trust fund policy
4544	23/02/09	Purchase of sports equipment from J R White	410	Book	Payment not in line with the trust fund policy
4554	25/02/09	Hire of Bus from Nasese Bus Co. to transport rugby team to Lautoka	800	Book	Payment not in line with the trust fund policy
4559	27/02/09	Hire of five tents during Inter-house competition from Tents & Awnings	1,500	Book	Payment not in line with the trust fund policy
4575	05/03/09	Purchase of sports equipment from J R White	379	Book	Payment not in line with the trust fund policy
4637	06/04/09	Purchase of school athletes uniforms from Intimate Apparel	1,500	Book	Payment not in line with the trust fund policy
4645	09/04/09	Purchase of Coco Cola Games tickets for 2009	3,300	Book	Payment not in line with the trust fund policy. Approval not obtained from PS MOE.
4647	14/04/09	Purchase of Coco Cola Games tickets for 2009	4,600	Book	Payment not in line with the trust fund policy. Approval not obtained from PS MOE.
4672	29/04/09	Purchase of 50 Grandstand Coco Cola Games Tickets	1,000	Book	Payment not in line with the trust fund policy. Approval not obtained from PS MOE.
4679	29/04/09	Purchase of athletes uniforms from Intimate Apparel	2,000	Book	Payment not in line with the trust fund policy. Approval not obtained from PS MOE.
4766	24/06/09	Purchases of materials and labor charges for renovation of quarters 159D to Mr. Ulaiasi Cagi	893.20	Book	Payment not in line with the trust fund policy. Approval not obtained from PS MOE.
4871	21/12/09	Purchase of a special tailored made tarpaulin for Principal's quarters from City Auto	1,250	Book	Payment not in line with the trust fund policy.

