



ACCOUNTABILITY IN THE PUBLIC SECTOR
THROUGH QUALITY AUDIT SERVICES

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

**Volume 3 Audit Report on Government Ministries
and Departments - 2008**



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**VOLUME 3 AUDIT REPORT ON GOVERNMENT MINISTRIES
AND DEPARTMENTS - 2008**



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30 September 2009

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

Dear Commodore Bainimarama

AUDIT REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 – VOLUME 3

In accordance with section 7 (7) of the State Services Decree 2009, I am pleased to transmit to you my audit report on the Government of the Republic of Fiji Islands for the year ended 31 December 2008.

Tevita Bolanavanua
AUDITOR-GENERAL



FOREWORD

This report covers the audit of the 2008 Accounts and Finances of the Fiji Government and its 26 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 covered under volume 1 of the report;
- report on the audit of financial statements of ministries and departments covered under volume 2-4 of the report;
- report on the results of, and matters arising from, our 2008 audits of ministries and departments also covered under volume 2-4; and
- raise other matters that we believe warrant consideration by Cabinet.

The 2008 accounts were 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 2007 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 2008 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.

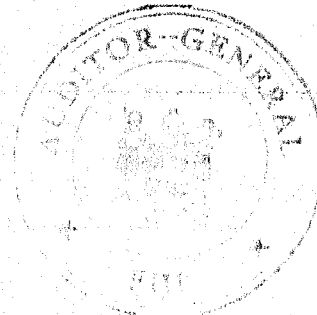
The Ministry of Transport, Works and Energy and the Ministry of Health continue to use their own software ACCPAC and EPICOR systems after which records are uploaded to the FMIS on a regular interval. However our audit has noted that when uploading to FMIS only the end-balances and not all the details are uploaded.

All ministries and departments submitted their 2008 accounts for audit except for the Office of the Ombudsman which closed after the abrogation of the constitution. All audits were issued qualified audit opinions. The qualifications include: consolidation of accounts of ministries and departments, as required under the Appropriation Promulgation; the inability to determine the accuracy of the statement of output costs; the failure to provide statements of losses and trust accounts of receipts and payments; and the lack of reconciliations.

The issues qualified above were the same as those highlighted in 2007 but at a lesser extent as some ministries and departments had shown some improvement. There however remains a lot of work to improve the requirements of all stakeholders.



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 2008 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 a qualified audit report based on that Income Tax, VAT and Hotel Turnover Tax totalling \$911.6 million (51% of total revenue) could not be substantiated as the audit was denied access to taxpayers records, contrary to section 111 of the Income Tax Act and section 7(2)(a) of the Audit Act;

Other matters of concern are as follows:

- a) An amount of \$10.6 million in respect of trust moneys shown in Schedule 1 – Statement of Assets and Expenditure of the Whole of Government Financial Statements is not appropriately supported by cash at bank. The trust moneys are also not kept in a separate bank account.
- b) A prior year's adjustment of \$4.2 million in the Consolidated Fund Statement of receipts and payments could not be verified.
- c) Ministries/departments failed to submit their reconciliations to Ministry of Finance, despite being sent numerous reminders. Moreover, reconciliation for RFA - Miscellaneous, namely, Accounts Payable and Accrued Expenses were not submitted to the Ministry of Finance at all. As such these account balances totalling \$1.2 million and \$1.6 million respectively were unsubstantiated.
- d) A Capital loss of \$4.4 millions was incurred when 4 TMA operations were written off. These are Gravel Washing Plant, Cane Trucks, Republic of Fiji Military Forces (RFMF) Air Wing and Marine Shipbuilding TMA.
- e) Debts owed to Government totalling \$9.5 million was not recorded in the Lending Fund Account of which \$4.6 million was advanced to Rewa Rice Ltd and \$4.9 million was the guarantor payment on behalf of Fiji Electricity Authority and Fiji Sugar Cane Growers Council.
- f) Bank account balances totalling \$1.3 million for Overseas Missions and Agencies have not been reconciled nor confirmed by the relevant overseas banks.
- g) TMA Credit sales of \$12.5 million have been taken as receipts in the Accounts and Finance despite reporting done on cash-basis of accounting. Balancing accounting entries to the Equity of Government's TMA have been made to produce a balanced balance sheet. As such the balances totalling \$22.7 million could not be substantiated.
- h) Account balances totalling to \$64.9m in the clearing account for domestic and overseas loans appearing under the revolving fund account are outstanding. Furthermore, other clearing accounts in the Operating Fund totalling \$73.8 million also remained outstanding.
- i) Drawings account has been reduced with unexplained debit balances totalling \$16.7 million.

The following is a summary of the audit observations.

2008 Accounts and Finance***Cash at Bank***

Unpresented cheques have declined significantly from \$73.6 million in 2007 to \$59.6 million in 2008. The decrease in unpresented cheques at year end is primarily attributed to debits balances in Customs, Ministry of Health, Fiji Police Force and Water Supplies accounts totalling \$16.7 million.

Cash balances with Agencies Overseas have increased significantly from \$52.9 million in 2007 to \$121.3 million in 2008. The continuing increase is mainly attributed to the transfer of \$50 million from the Consolidated Fund Account to JP Morgan account during the year.

Agencies overseas having balances of \$1.3 million were not supported with cash and bank certificates.

Investment

Government's total investments held in 30 companies in 2008 was \$440.3 million, an increase of \$10.4 million or 2.4% compared to 2007. Only 7 entities remitted dividends to government totalling \$21.3 million in 2008 compared to \$22.0 million in 2007. Four entities with total government investments of \$8.4 million are in-operative. Government also has shares in ATS and these shares were transferred from CAAFI when it ceased to be a Commercial Statutory Authority.

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 \$10.6 million in respect of trust moneys shown in schedule 1 – Statement of Assets and Expenditure of the Whole of Government Financial Statements is not kept in a separate bank account.

18 Ministries/Departments had overdrawn their trust fund accounts totalling \$3.4 million as at 31/12/08.

Revenue

The correctness of Income Tax, VAT and Hotel Turnover Tax of \$911.6 million collected by the Fiji Islands Revenue & Customs Authority on behalf of the State, which represents 51% of Government's total revenue, could not be substantiated as audit was denied access to taxpayer records, contrary to section 111 of the Income Tax Act and section 7(2) (a) of the Audit Act (Cap 70)

The arrears of revenue in 2008 totalled \$157.7 million, a decrease of \$14.7 million or 8.5% from 2007. The high arrears of revenue were due to a substantial amount of outstanding tax arrears of \$86.3 million or 54.7% of total arrears owed to FIRCA. Also, Water and Sewerage rates rated high at \$32.4 million (20.5%) which was due to the Public Works & Infrastructure. Other significant arrears were due to Judicial, Lands Crown rents, Meteorological, Agriculture, FIRCA Customs and MFO Sinai.

Expenditure

The total actual expenditures for 2008 amounting to \$1,680.5 million had decreased by \$45.7 million or 3% from 2007 and incurred an overall savings of \$100.2 million compared to a savings of \$115 million in 2007.

The overall savings arose from savings in established staff by \$14.8 million (2.8%), wage earners by \$6.5 million (10.4%), travel & communications by \$2.2 million (11.5%), purchase of goods by \$2.0 m (3.5%), operating grants & transfers by \$11.0 million (5.4%), special expenditures by \$9.9m

(21.2%) , capital construction by \$33.5 million (22.4%), capital purchase by \$5.8 million (25.1 %), capital grants and transfers by \$5.4 million (6.4%), pensions and gratuities by \$3.1 million (2.6%), and finances on public debt by \$11.4 million (8%).

The RFMF and the Department of Police both exceeded their budgeted forecast by 3.31% and 10.93% respectively. The reasons for the over – expenditures were mainly due to the over – payment of salaries and allowances.

Borrowing

Public debt in 2008 totalled \$2.8 billion and comprised of domestic loans of \$2.3 billion or 82% of total debt; overseas loans of \$475.9 million or 16%; and Treasury Bills \$64.5 or 2%.

In 2008, Government borrowings totalled \$422.4 million of which \$341.2 million or 81% was through domestic bonds, \$64.5 million or 15% treasury bills and \$16.6 million or 4% in overseas loans.

Principal payments for 2008 on government borrowings totalled \$722.0 million whilst interest payments amounted to \$168.7 million.

A total of \$10.6 million loan to Fiji Government was directly disbursed by the Asian Development Bank (ADB) to the contractors of the projects, namely, Suva/Nausori Water Supply and Fiji Road Up-grading Project (FRUP) loan.

Government in honouring its guarantor obligation paid a total of \$4.9 million on behalf of Fiji Electricity Authority and Fiji Sugar Cane Growers Council to its lenders, namely the Reserve Bank of Fiji and the Fiji Development Bank respectively.

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 31/12/08 totalled \$105.9 million, a decrease of \$8.2 million or 7% compared to 2007. Repayments received in 2008 totalled \$12.3 million whilst additional loans granted and interest capitalized in 2008 was \$4.1 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.

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 capitalized or recoveries made under these accounts. The recovery of these loans is uncertain due to the lapse in time

Outstanding advances and loans of Rewa Rice Limited totalled \$4.6 million and \$1.9 million respectively. Cabinet decision dated September 2004 endorsed the \$4.6 million outstanding advance to be converted to grant. The conversion is yet to be finalised. In addition to this, the loan repayment of \$1.9 million has also not commenced.

The \$4.6 million advance has not been recorded in the Accounts and Finance.

Revolving Fund Account

Revolving Fund Account (RFA) comprises of balances that are asset and liability in nature. The accounts are made of Accounts Receivable, Prepaid Expenses, Accounts Payable, Accrued Expenses and the operation of Trading and Manufacturing Account (TMA).

Balance outstanding in RFA as at 31/12/2008 totalled \$80.8 million compared to \$68.3 million in 2007, an increase by \$12.5 million or 18%.

Receipts and Payments reflected in the Accounts and Finance of Government from the Revolving Fund Account totalled \$3,343,457,332 and \$3,351,545,208 respectively. These demonstrate the volume of transactions in the Revolving Fund Accounts. As a comparison, total revenue and expenditure was only 54% and 50% of these receipts and payments respectively. Numerous mispostings, errors and their subsequent adjustments have inflated the total receipts and payments of the Revolving Fund accounts.

Furthermore, Ministries/departments failed to submit their reconciliations to Ministry of Finance, despite numerous reminders being sent. Reconciliation for RFA- Miscellaneous, namely, Accounts Payable and Accrued Expenses were not submitted to the Ministry of Finance at all. As such these account balances totalling \$1.2 million and \$1.6 million respectively were unsubstantiated.

Account balances totalling \$64.9 million in the clearing account for domestic and overseas loans appearing under the revolving fund account has not been included on the Accounts and Finance of Government.

In addition, Ministries/Departments had more than one IDC account. Explanation for the utilisation of various IDC accounts could neither be provided by the Ministries/Departments nor the monitoring agency, Ministry of Finance.

Balancing accounting entries to the Equity of government's TMA were made to produce a balanced balance sheet. As such, entries totalling to \$22.7 million could not be substantiated.

TMA Balance sheet accounts such as Accounts Receivable, Inventory and Surplus/Deficit totalling to \$6.7m are not forming part of the Accounts and Finance of government.

TMA Credit sales of \$12.5 million have been taken as TMA receipts in the Accounts and Finance despite reporting on cash-basis of accounting.

A Capital loss of \$4.4 millions was incurred when 4 TMA operations were written off. The 4 TMA operations are Gravel Washing Plant, Cane Trucks, Republic of Fiji Military Forces (RFMF) Air Wing and Marine Shipbuilding TMA.

Trading and Manufacturing Accounts (TMA) are either operating above/below their appropriated ceiling. TMA operating above their ceiling are yet to remit the excess funds to the Consolidated Fund Account while those operating below the ceiling are operating at a loss.

Contingent Liabilities

Government guarantee of members' contribution to the Fiji National Provident Fund totalled \$2,618,006,433 which is 75% of total government guarantee. Apart from guaranteeing the members contributions, the Government owes \$1,743,304,300 to FNPF, which is 74% of total domestic borrowings.

Contingencies Fund

Balance for Contingencies Fund of \$2 million reserved for unforeseen events has been a carry-forward balance that could not be substantiated. In addition, the Ministry of Finance confirmed that there is no ledger account drawn up in Governments accounts & finance for the Contingencies Fund Account as the account was not mapped when Government finance system was converted to the new general ledger system. Government continues to report the contingency funds of \$2 million even though it does not exist in the new FMIS general ledger.

2008 Accounts of Ministries and Departments

Office of the President

Contrary to Finance Instruction 82(1) Statements of Output Cost and Trust Fund Account Statement of Receipts and Payments were not provided for audit.

There is a significant variance in the FNPF reconciliation totaling \$208,813 when compared to the accounts as at 31/12/08.

The Office of the President has accumulated arrears of water rates totaling \$38,743 as at 31 July, 2009.

The audit noted that 9 officers had excessive annual leave carried forward from previous years to 2008 with outstanding annual leave ranging from 36 – 210 days. The leave liability as at 31/12/09 totaled \$44,780.

Office of the Prime Minister and Public Service Commission

The Financial Management Information System shows that the Office of the Prime Minister and the Public Service Commission as at 31/12/08 had operating trust funds totaling \$(43,008) overdrawn and \$469,682 respectively. Statements of accounts to support these were not submitted.

Differences were noted in the reconciliations undertaken for the Drawings Accounts, Trust funds and Revolving Fund account Miscellaneous as at 31/12/09.

Scrutiny of a sample of loan records revealed that the Student Loans Scheme was not properly monitored to ensure the successful recovery of loans upon completion of studies.

Some government rented offices including the premises occupied by the Commission do not comply with the requirements of the Occupational Health and Safety Act.

Some senior civil servants are illegally occupying government quarters. A former civil servant who is occupying a government quarter and has a court case pending against him has accumulated rental arrears of \$99,399 as at 31/12/08.

Office of the Attorney General

The Office has not provided a Trust Fund Account Statement of Receipts and Payments which has a balance of \$247,818 as at 31/12/08.

There is a significant variance in the VAT and FNPF reconciliations when compared to the accounts as at 31/12/08.

Two officers were overpaid a total of \$7,349 after they failed to inform the Ministry about their intention to resign from service.

Ministry of Provincial Development, Indigenous & Multi-Ethnic Affairs

The Ministry has not provided a Statements of Output Costs; Statement of Losses and Trust Fund Account Statement of Receipts and Payments. Significant variances were noted in the reconciliation of FNPF records for the Ministry.

A total of 37 cheques valued at \$832,666.38 that were prepared in December 2008 at the Commissioner Western's Office have not been issued to payees on 23/2/09. A significant amount of revenue is also in arrears of which 52% is over two years old.

The following projects which commenced in 2005 are still incomplete although funds were provided for the projects: Kenani Evacuation Centre, Waiyavi SDA Evacuation Centre, Namoli Village Footpath Project and Vanuakula Flash Toilet Project.

The Ministry has poor control over the use of motor vehicles especially where accidents have occurred. Three vehicles were involved in accidents in 2008 of which only one was reported.

Ministry of Defence, National Security and Immigration

The department failed to provide the VAT returns for 2008 as a result VAT reconciliation could not be prepared. A reconciliation of FNPF contributions against salaries and wages reported in the financial statements for the departments revealed significant variances. Drawings accounts reconciliation was not undertaken for Department of Defence and National Security and incorrectly done for Immigration Department.

Amounts totaling \$2,049,514 received by the Department of Immigration as bond have yet to be refunded to international workers or their agents who have departed from Fiji.

Proper tender procedures were not complied when the Immigration Department engaged Leah's Apartment as the detention centre for illegal immigrants.

The department lacked manpower to expedite the removal of over stays in the country and a considerable number of passports were damaged during the processing stage incurring unwarranted costs and loss of revenue for the department

Ministry of Labour, Industrial Relations & Employment

The Ministry has not provided a Statement of Losses; and a Trust Fund Account Statements of Receipts and Payments.

A reconciliation of FNPF contributions against salaries and wages reported in the Financial Statements revealed significant variances.

A VAT reconciliations carried out during the audit revealed an un-reconciled balance of \$1,323,245. In addition, VAT input as per VAT returns totalled \$307,938, whereas the general ledger recorded VAT input of \$407,895 resulting in a difference of \$99,957.

Revenue or fees collected by the Ministry through its Occupational Health and Safety (OHS) Division have not been accounted for in the VAT returns. Such VAT is included in the OHS Fees but is not declared in monthly VAT Returns to the Fiji Islands Revenue Customs Authority.

The Ministry is yet to pay out trust funds belonging to beneficiaries of deceased workers who have attained 21 years.

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

The Ministry has not provided the Statement of Losses and Trust Account Statement of Receipts and Payments.

The payments of FNPF contributions and VAT could not be reconciled to the accounts. Fiji Missions overseas incurred expenses which appeared to be inappropriate or extravagant. This includes Port Moresby, New Delhi, Canberra, New York, Malaysia, Tokyo, Beijing, London, Brussels and Wellington.

For the past five years, government had allocated \$4.5 million as capital grants to the Airports Fiji Ltd for the up keeping and maintenance of rural airstrips. However the condition of the rural airstrips was not very satisfactory and a number of deficiencies were noted by the CAAFI aerodrome team. Also the grant was diverted to purchase fire trucks and tractors without the approval from the Ministry of Finance.

Election Office

The Office has not provided a Statement of Losses, as Losses amounting to \$9,330 was recorded as at 31/12/08; and a Trust Fund Account Statement of Receipts and Payments.

The Office did not obtain police clearance in respect of the newly appointed Project Officers nor were they medically examined. The posts were also not advertised.

Approval was given to the Supervisor of Elections to appoint a Media Consultant from 29/09/08 to 31/12/08 that carried a salary of only \$18,000. A Consultant was engaged at the rate of \$70 per hour from 29/09/09 to 31/12/08. PSC approval letter specifically stated that the Consultancy fee must not exceed \$18,000 for the period. The Office however was paid total consultancy fees of \$75,582.50 which exceeded the limit by \$57,825 or 320%.

A payment of \$17,802.61 was made to University of Melbourne being tuition fees for Mr. Viliarne Ledua Vuiyanuca to undergo further studies from 02/03/09 to 31/12/09. The officer did not embark on further studies but continued to work in the Office as at the date of audit in April 2009.

The Office purchased 10 blackberry mobile phones from Vodafone Fiji Limited worth \$7,990 without seeking approval from the Public Service Commission. In addition an advance rental payment for whole year (2009) was done to Vodafone Co. Ltd totaling \$8,394 for the 10 mobile phones.

The Office purchased two photocopying machines by splitting the cost using several Local Purchase Orders thus bypassing the proper procurement procedures. The orders were authorized by the Supervisor of Elections.

Judiciary

The Department has not provided a Statement of Losses and a Trust Account Statement of Receipts and Payments.

Warrants are issued for non-payment of court fines or non-appearance to court hearings and the executions of warrants are undertaken by the Fiji Police Force. As at 31/12/08 the arrears of revenue for the Department totaled \$10,574,640.

Legislature

Audit noted that some Officers continued to receive consolidated allowances, which should only be paid to Editors and Hansard Officers when Parliament is in session.

Accountable advances issued to staffs in prior years are still to be accounted for and retired. The officers concerned explained that they have retired the advances but no documentary evidence was provided for audit purposes to authenticate that the advances have been cleared.

Ministry of Justice, Prison & Correction

Although the guidelines are specifically stated in the Bankruptcy Act, audit noted discrepancies in the liquidation of several companies. Refer to Liquidation Nos. 13/2003, 09/2005, 59/2001, 110/2001, 58/2001.

Certain liquidation and bankruptcy cases have been cancelled but the accounts were still open with balances either to be refunded to the respective Company Directors or journalized to the official receivers fees account.

We noted from our review of the Bank Reconciliation Statement for December 2008 that some deposits from as far as nine years back are still reflected in the Bank Reconciliation as receipts not credited by the bank.

Audit noted that no tender was called by the Department of Prison and Correction for the purchase of caps, tee shirts and shirts totaling \$45,260 from Xoolu Enterprises Limited.

Department of Information

The Department has not provided for audit a Trust Account Statement of Receipts and Payments, contrary to Finance Instructions 82(1).

The former Director proceeded on study leave in 2006 to pursue a Master of Arts in Governance programme at the University of the South Pacific was bonded for one year amounting to \$41,367. The officer had served only eight months of her bond before tendering her resignation on 15/09/07 and vacated the office without giving the 30 days notice. She had an unserved bond for four months amounted to \$14,312.67 and was also overpaid \$1,651.

Fiji Military Forces

The Force incurred an over-expenditure of \$2,691,923 in 2008.

The Force has not provided a Trust Fund Account Statement of Receipts and Payments contrary to Finance Instructions 82 (1). The Financial Management Information System shows that the Force as at 31/12/08 had operating trust funds totaling \$225,838.

There is significant variance in the VAT and FNPF reconciliations when compared to the accounts as at 31/12/08.

The Force purchased goods and services from suppliers that did not go through the normal tender process and without competitive quotations obtained. The audit noted that goods and services were purchased without issuing Local Purchase Orders. The Force's Director Finance approved an LPO in excess of his delegated authority.

Fiji Police Force

The Force has not provided a Statement of Losses and a Trust Account Statement of Receipts and Payments.

The payments of FNPF contributions and VAT could not be reconciled to the accounts. The Fiji Police Force had a manual payment of \$739,977 which was not updated in the FMIS for 2008.

The Force incurred over-expenditures under SEG1 Established Staffs allocation by \$8,712,130 and failed to seek necessary approval from Ministry of Finance to regularize the over expenditure.

The Fiji Police Force failed to call tenders for a number of purchases which were above \$ 20,000 particularly when procuring from Lotus Garments (MFG) Ltd and Deluxe Footwear Fashions Ltd.

The Police Force had undertaken a new approach to combat crime which involved crusade work in the public. The new approach to crime prevention has increased the expenses and is viewed as exorbitant to the Force. The Fiji Police Force also did not update a total of \$739,976.56 of manual payments into the FMIS system.

Ministry of Education, National Heritage, Culture and Arts

The Ministry has a total salary overpayment of \$657,795.31 as at 31/12/08 which is still to be recovered. In 2008, the salary overpayment amounted to \$213,226.37 of which \$130,923.40 or 61% was overpaid to staffs upon resignations and leave without pay.

Fifteen vehicles in the Ministry's fleet have exceeded mileage of 200,000km but are still being used. Fuel and the maintenance costs are considered high for these vehicles.

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 Nasinu Secondary, Queen Victoria School and Ratu Kadavulevu School respectively.

Ministry of Health, Women & Social Welfare

A Statement of Losses and Trust Account Statement of Receipts and Payments was not submitted to audit. The Financial Management Information System shows that the Ministry of Health as at 31/12/08 has Operating Trust Funds totaling \$8,943,060 of which \$7,495,121 or 84% represent FNPF. In addition, the Department of Women and Social Welfare has overdrawn Operating Trust Fund balance of \$43,052.

A Trading and Manufacturing Accounts for the operations of the Bulk Purchase Scheme was not submitted by the Ministry.

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

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate of 8% of basic salary. Contrary to the above provisions, the some officers have been occupying quarters at Tamavua Hospital compound and were paying rent of \$0.35 per week or \$18.20 annually.

The Tamavua Hospital has continued to pay the water bills of the Fiji School of Medicine despite it now being a private institution. It has paid a total of \$455,640.94 for meter number KRI 22 as at 31/12/08.

The former Chief Pharmacist, Mr. Peter Zinck, was surcharged \$50,316.94 (50% of \$100,633.88) for non delivery of 100 hospital beds ordered as per the indent MD107/03. The supplier, Pacific Surgimed International Ltd of New Zealand was paid in advance the total amount of \$100,633.88 in December 2002. The Officer is now employed at the United Nation Population Fund (UNFPA) and he owes the government \$47,758.41.

The audit noted that Fiji Pharmaceutical Services in 2008 purchased 29,700,000 Methyldopa tablets (250mg) tablets, costing \$1,038,076.09, when the estimated annual usage rate was only 1,333,333 and the maximum stock level was 2,000,000. Assuming the drugs do not expire, the stock should be sufficient for 19 years. However, these drugs would be expiring in April 2011.

Audit noted that drugs worth \$973,120 had expired at the end of 2008.

Patients' belongings are still unclaimed and stored in a cabinet at the Saint Giles Hospital (SGH). No proper register is maintained to record and account for these valuable items. The items unclaimed are jewellery, purse, watches, bank books, passport, sunglasses, cameras and whales tooth etc.

The audit noted that there is a need for urgent maintenance and replacement of numerous machines and equipment currently used in the hospital as these pose risks to the staffs and hinder the quality health services provided to patients.

A total of \$177,397 as of 31/12/08 was recorded as overpayment of salary by the Ministry of which \$74,979 (42%) was overpayment upon resignation. This is a result of divisional officers failing to advise salaries section at Headquarters on time.

As at the date of the audit¹, the Ministry had 330 vacant positions. The vacant positions ranged from doctors to other support officers.

Some nurses were still paid consolidated allowances despite working in urban hospitals and health centers. As at 31/12/08, \$179,207.29 was paid out as consolidated allowances. Of this amount, \$77,398.43 or 43% were paid to nurses who were not entitled to consolidated allowance.

Department of Local Government, Urban Development and Housing

A reconciliation of FNPF contributions against salaries and wages reported in the Financial Statements revealed significant variances which indicate that FNPF contribution had been underpaid.

The department failed to prepare VAT reconciliations for 2008. 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 \$14,575 as at 25/11/08.

The Department through its National Youth Service Scheme (NYSS) provided financial assistance to 215 youths amounting to \$80,690 as at 31/12/08 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 recover \$86.34.

Ministry of Primary Industries

The Trading and Manufacturing Account's *Accumulated Surplus* and *Surplus* of \$2,559,456.93 and (\$2,098,107.49) respectively shown in the Balance Sheet could not be substantiated as supporting documents were not provided for audit.

Arrears of revenue totaled \$3,978,918, a decrease of 2% compared to 2007. Some debts had remained uncollected during the three years as the Department had not instigated recovery actions as required under the Finance Manual.

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 generally lack of commitment from the executing groups.

Audit review noted that Local Purchase Orders were artificially split into numerous procurements for the purpose of obtaining a lower level approval. The failure of the Department to apply the required purchasing limits resulted in unauthorized expenditures.

The Ministry engaged National Bulldozing Company Limited (NBCL) in 2008 for the drainage works in respect of the Sigatoka Valley Improvement Programme. It was noted that a contract agreement was not drawn up and signed between the two parties. The company was paid a total amount of \$54,943 for the work done.

On 27th October 2008, the Debt Management Unit of the Fiji Islands Revenue and Customs Authority issued a legal demand notice to the Department claiming for the tax owed in the sum of \$53,553.86 and penalties in the sum of \$25,450.64, totaling \$79,004.50.

The Department of Fisheries through its freshwater aquaculture project constructed 16 ponds which are technically referred to as "Tanks" at the Naduruloulou Research Station. These ponds were to be utilized for nursing new hatchlings of fish and prawns to suitable sizes for delivery to farmers as well as research purposes. The ponds were constructed by Cama Holding at a cost of \$18,500 in December 2008. A site visit on 18 March 2009 at Naduruloulou Research Station revealed that all the 16 ponds were not in use and were overgrown with grass and weeds.

Ministry of Lands, Mineral Resources and Environment

The arrears of revenue recorded by the Department which totaled \$10, 223,341 is substantial and indicate the poor debt collection procedure in practice.

The audit noted that two Technical Assistants were awarded FAB scholarship with pay to pursue Bachelor of Engineering majoring in Lands and Bachelor of Spatial Science for 4 years from February 2007. Due to poor academic results in 2007, both scholarships were terminated however the officers failed to return.

The audit noted from the Crown lease report provided by the Department that the yearly rentals for some crown leases were significantly low. This indicates that rent was not reviewed periodically and adjusted to current market rates.

Every year, the System Support Centre generates all re-assessments that are due in the following year. This is forwarded to the Valuation Section for re-assessment however it was noted that reassessments were not carried out by the Department on crown leases on the due dates specified in the lease conditions.

The arrears of revenue figure provided by the Lands System and the Lands Administration System were not reconciling. This indicates that the department is not recovering the correct amount of arrears as the variance could not be substantiated.

Ministry of Industry, Tourism, Trade and Communications

The Department of Communication recorded total arrears of \$1,096,943.25 as at 31 December 2008. The arrears show a significant increase of 90% from \$97,918 recorded in 2007.

A difference of \$89,782.46 was noted between the Ministry of Commerce Drawings account reconciliation and the balance recorded in the FMIS. The Ministry's reconciliation recorded a balance of \$260,386.06 whereas the balance on FMIS had \$350,168.52.

One Mr. Gani filed a civil action against the Cooperative Department and Attorney General's Office claiming damages for personal injuries and other consequential losses due to the accident and was awarded damages totalling \$87,530.69 in October 2005. Eight 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.

Ministry of Works and Transport

Trading and Manufacturing Account *Accumulated Surplus* of \$4,591,193 and *Surplus* of \$909,265 reflected in the Balance Sheet could not be substantiated as supporting documents was not provided for audit.

The Trust Account Statement of Receipts and Payments did not include trust account balance of \$78,556 belonging to the Department of Meteorological Services.

The amount of \$802,132 stated as Other Deductions in the Trust Account Statement of Receipts and Payments could not be substantiated as supporting documents could not be provided.

The Ministry's statement of income and expenditure had incorporated total expenses and revenue of \$112,251 and \$8,489 respectively which belonged to the Department of Civil Aviation under the

Ministry of Foreign Affairs and Department of Water and Sewerage under the Ministry of Public Utilities.

The Government Shipping Services purchase fuel for government vessels from Total Fiji Limited which is supplied in drums for which it pays a refundable deposit of \$50 per drum. The audit noted that the drums were not returned and that deposits paid were not claimed by the department.

There is a possibility of collusion amongst 3 employees at the Meteorological Services where they manipulate financial records for their own benefit. The officers had intentionally increased amounts of their salary in the system to increase their take-home pay.

The Department of Works recorded a total of \$604,348.24 in stale cheques as at 31/12/08. The amounts and status of these cheques could not be verified as relevant supporting documents were not provided.

Approval was granted by the PSC in its letter dated 8/7/08 for an Acting Accounts Officer and her Acting Assistant Accounts Officer to attend fraud training in Boston, USA from 13 – 18/7/09. However, it was noted that TMA fund totalling \$19,735.29 was used to finance the officers' trip.

An analysis of the performance of the TMAs for 2008 showed that TMAs have incurred huge losses in its operations.

The Plant Pool of the Mechanical section maintains all government vehicles that are hired by the various sections of the Ministry in the Central Eastern Division. An analysis carried out on the fleet of Plants and vehicles in the Division raises a lot of discrepancies.

The Department of Roads did not consider requesting the Tender Board to call annual tender for the supply of goods, services or works which it regularly requires and purchase orders were not issued for some purchases of goods and services.

Department of Public Utilities and Energy

The Department failed to submit the Trust Account Statement of Receipts and Payments to audit. The Financial Management Information Systems shows that the Department of Water and Sewerage as at 31/12/08 has Operating Trust Funds totaling \$2,977,871.33. In addition, Department of Energy has an overdrawn True Trust balance of \$58,953.15; and has an Operating Trust Fund totaling \$438,049.69.

The payments of FPNP contributions and VAT could not be reconciled to the accounts of the Department of Water and Sewerage.

Arrears of revenue for Water and Sewerage Rates as at 31/12/2008 totaled \$32,355,792, an increase of \$2,719,664 or 9% compared to 2007.

There were backlogs in the connection and installation of new meters for the period 2004 to 30 June 2008 at the Divisional Engineer western. Out of the total applications (236) received till June 2008 for the meter connections, only 28 (or 12%) meters were connected.

The Department engaged twelve companies to provide hired vehicles in 2008 and utilized a total of \$388,546 in 2008. This is considered excessive and it appeared that they were hired without any regard to economy.

The Benau Water Treatment Plant was constructed based on the recommendations made in the 1996 Master Plan by Sinclair Knight Merz Consultant. The construction was carried out in 1999 by

Sophora Water (NZ) Limited at a cost of \$3.20 million (VEP). Since completion in 1999, the plant has not operated normally due to problems which were not known at the time of commissioning.

Audit noted high rate of unaccounted for water for the Walia/Deuba region. More than 50% of the water is unaccounted for in each month.

Audit inspection at the PWD Walu Bay warehouse noted a number of operational and non-operational generators stored in the yard. The 21 operational generators on hand were either stored for spare parts, under repairs or awaiting installation. As for the unserviceable generators in the yard, 41 have been recommended for auction while 25 are recommended to be sold as scrap

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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 Office. 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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FINANCIAL STATEMENT

13.1 Audit Opinion

The audit of the 2008 accounts of the Office of Director of Public Prosecutions resulted in the issue of a qualified audit report.

The accounts were qualified as the amounts reflected in the Statements of Output Costs have been estimated since the facility to allow the measurement and accounting of these costs has yet to be

integrated in the Financial Management Information System of government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Office under each output.

13.2 Statement of Receipts and Expenditure

The Office incurred a total expenditure of \$4,070,240 in 2008 compared to \$3,721,728 in 2007.

Table 13.1: Statement of Receipts and Expenditure for 2008

Description	2008 \$	2007 \$
RECEIPTS		
State Revenue	8,323	7,823
Agency Revenue	0	3,061
TOTAL REVENUE	8,323	10,884
EXPENDITURE		
Operating		
Established Staff	2,942,820	2,456,368
Unestablished Staff	66,437	49,967
Travel & Communication	193,320	188,021
Maintenance & Operations	209,849	154,694
Purchase of Goods & Services	282,036	257,189
Special Expenditure	91,487	87,355
Total Operating Expenditure	3,785,949	3,193,594
Capital Expenditure		
Capital Construction	-	-
Capital Purchases	161,788	94,852
Capital Grants & Transfers	-	-
Total Capital Expenditure	161,788	94,852
Value Added Tax	122,503	433,282
TOTAL EXPENDITURES	4,070,240	3,721,728

Revenue declined by \$2,561 or 24% due to the decline in the stale cheques written back to revenue.

There was a net increase in expenditure in 2008 by \$348,512 or 9% when compared to 2007 as a result of increases in established staff cost by 20%, maintenance and operation by 36%, purchase of goods and services by 10% and capital purchases by 71%.

13.3 Statement of Output Costs

The Office has 2 outputs, as prescribed in the Budget Estimates 2008. These are detailed in Appendix 13.1.

13.4 Appropriation Statement

The Office incurred expenditures totalling \$4,070,240 in 2008 against the budget of \$4,641,800 resulting in a savings of \$571,560 or 13%.

Details of expenditures against the budget estimates are provided in Table 13.2.

Table 13.2: Appropriation Statement for 2008

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	3,400,400	0	3,400,400	2,942,820	0	457,580
2	Unestablished Staff	50,400	22,000	72,400	66,437	0	5,963
3	Travel & Communication	220,000	(17,900)	202,100	193,320	0	8,780
4	Maintenance & Operations	198,000	46,400	244,400	209,849	0	34,551
5	Purchase of Goods & Services	318,700	(17,500)	301,200	282,036	0	19,164
6	Operating Grants & Transfers	0		0	0	0	0
7	Special Expenditure	190,000	(90,900)	99,100	91,487	0	7,613
	Total Operating Costs	4,377,500	(57,900)	4,319,600	3,785,949	0	533,651
	Capital Expenditure						
8	Capital Construction	0		0	0	0	0
9	Purchases	132,000	57,900	189,900	161,788	0	28,112
10	Capital Grants & Transfers	0		0	0	0	0
	Total Capital Expenditure	132,000	57,900	189,900	161,788	0	28,112
13	Value Added Tax	132,300	0	132,300	122,503	0	9,797
	TOTAL EXPENDITURE	4,641,800	0	4,641,800	4,070,240	0	571,560

The Ministry of Finance approved the following transfer of funds during the year:

- a) \$32,500 from *SEG 7 Special Expenditure* to *SEG 9 Capital Purchases*.
- b) \$38,000 from *SEG 7 Special Expenditure* to *SEG 4 Maintenance & Operations*.
- c) \$22,000 from *SEG 7 Special Expenditure* to *SEG 2 Unestablished Staff*.
- d) \$20,000 from *SEG 5 Purchase of Goods and Services* to *SEG 9 Capital Purchases*.
- e) \$12,000 from *SEG 4 Maintenance & Operations* to *SEG 9 Capital Purchases*.
- f) \$3,400 from *SEG 3 Travel & Communication* to *SEG 9 Capital Purchases*.
- g) \$2,500 from *SEG 3 Travel & Communication* to *SEG 5 Purchase of Goods and Services*.
- h) \$1,600 from *SEG 4 Maintenance & Operations* to *SEG 7 Special Expenditure*.

However the transfers were not necessary as the original budgets under the two allocations were sufficient to cover all expenses.

13.5 Statement of Losses

The Office did not record any loss of fixed assets or money during the year. Stock take of assets was carried out in August 2007 for all stations of the Office of the Director of Public Prosecutions. The Office has yet to receive any response from the Ministry of Finance for request of write-offs of unserviceable assets.

13.6 Trust Account Statement of Receipts and Payments

The Office received \$125,453 from the sale of exhibits of a vessel (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	2008 \$
Opening Balance	1,041
Receipts	
Sale of Fishing Vessel	51,000
Court charge	2,000
Exhibit Fisheries Dept	49,790
Prosecution Courses	22,663
Total Receipts	125,453
Payments	-
Closing Balance	126,494

AUDIT FINDINGS

13.7 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.¹

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.²

The Office of the Director of Public Prosecutions submitted its Agency Financial Statements for audit on 03/04/09. Audit noted that the Agency Financial Statements were not prepared in accordance with the requirements of Section 82 and Schedule 1 of the Finance Instructions 2005.

¹ Finance Instructions 2005 – 81 (2)

² Finance Instructions 2005 – 81 (3)

The following discrepancies were noted:

- The Office failed to prepare and submit as part of the Agency Financial Statements the Statement of Losses, Statement of Assets and Liabilities and Notes to the Statement of Assets and Liabilities.
- The amounts reflected in the Statement of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs is yet to be integrated in the Financial Management Information System of government. The Statement of Output Cost balances are derived by feeding the revised budgeted figures into a template, which will automatically apportion the figures amongst the Office's Output Cost Centres.

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 Office should ensure that the requirements of the Finance Instructions 2005 section 82 are strictly complied with regards to the preparation of the Agency Financial Statements.

Management Comments

The Office of Director Public Prosecutions respects the provisions stipulated in the Financial Instructions 2005 section 82 and will adhere to the requirements as stated. We cannot ascertain a Statement of Losses and Statement of Assets and Liabilities in view of the fact that Board of Survey for 2008 was not carried out and we cannot determine to provide true figures on the Statement of Losses and Assets and Liabilities. The amount reflected in the Statement of Output Costs was derived from the expenditure incurred as at December 2008 and was inserted in the template designed by Ministry of Finance - Budget Division and this reflects the Output Costs 1 and 2.

13.8 FNPF 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.³

The current rate of contribution (effective 1st July, 1999) is 16 cents on each dollar earned, with the employer and employee each contributing 8 cents each. Contributions that are paid after the due date carry a surcharge at a rate of 2%. Failure to pay contributions on the due date is a serious and is a punishable offence.⁴

A reconciliation of FNPF contributions against salaries and wages reported in the Financial Statements revealed a variance \$533,568. Refer to Appendix 13.2 for details.

The above variance implied that the Office underpaid FNPF contributions of its employees.

Recommendations

The Office should review its FNPF records and reconciliations and provide explanations for the variance.

³ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

⁴ www.fnpf.com.fj – official web site address Fiji National Provident Fund

Management Comments

The Office of Director Public Prosecutions respects the findings and recommendations. Grateful if the following could be noted.

- *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.*

13.9 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.⁵

A review of the VAT returns and supporting documents and VAT reconciliations carried out during the audit revealed an un-reconciled balance of \$229,232 between the taxable supplies as per VAT Return and total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Appendix 13.3 for details.

In addition, VAT input as per VAT returns totalled \$129,359, whereas the general ledger recorded VAT input of \$122,503 resulting in a difference of \$6,856.

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 GL.**

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.*

⁵ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

Appendix 13.1: Statement of Output Cost for 2008**Portfolio Leadership, Policy Advice and Secretariat Support**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	29,429	24,569
Unestablished Staff	664	500
Travel & Communication	1,934	1,881
Maintenance & Operations	2,098	1,538
Purchase of Goods & Services	2,820	2,572
Operating Grants & Transfers	-	-
Special Expenditure	916	874
Total Operating Costs	37,860	31,930
Capital Costs		
Capital Construction	-	-
Capital Purchases	1,618	949
Capital Grants & Transfers	-	-
Total Capital Costs	1,618	949
Value Added Tax	1,225	4,332
TOTAL COSTS	40,703	37,211

Prosecution of Suspected Offenders

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	2,913,391	2,431,354
Unestablished Staff	65,775	49,468
Travel & Communication	191,384	186,139
Maintenance & Operations	207,752	152,109
Purchase of Goods & Services	279,216	254,617
Operating Grants & Transfers	-	-
Special Expenditure	90,572	86,482
Total Operating Costs	3,748,090	3,161,170
Capital Costs		
Capital Construction	-	-
Capital Purchases	160,169	93,903
Capital Grants & Transfers	-	-
Total Capital Costs	160,169	93,903
Value Added Tax	121,278	428,838
TOTAL EXPENDITURE	4,029,537	3,683,911

Appendix 13.2: FNPF Reconciliation

	\$
(a) Total FNPF against salaries and wages for 2008	
FNPF as per financial statement	177,726
Less: FNPF for December 2007	36,071
	141,655
Add: FNPF for December 2008	34,652
	176,307
Gross pay subject to FNPF (\$176,307.16 divided by 0.08)	2,203,838
(b) Salaries and wages for 2008 subject to FNPF:	
Salaries, wages and allowances as per financial Statement	3,009,257
Less: Salaries, wages and allowances not subject to FNPF	271,851
Salaries, Wages & Allowances for 2008 Subject to FNPF	2,737,406
Variance	\$(533,568)

Appendix 13.3: VAT Reconciliation

Variance between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure:

Description		\$
Total Income/Expenditure as per Expenditure Statement		4,070,240
Less: Expenditure not subject to VAT		
SEG 1 Established Staff	2,942,820	
SEG 2 Government Wage Earners	66,437	3,009,257
		1,060,983
Less: Total Taxable supplies as per VAT return		1,290,215
Difference		(229,232)

Variance between the actual VAT payments for 2008 and the balances disclosed in the general ledger (FMIS):

Description		\$
VAT payment (VAT payment to FIRCA and VAT input) as per Statement of Financial Operation		122,503
VAT payment (VAT payment to FIRCA and VAT input) as per VAT returns for the year		129,359
Difference		(6,856)

Section 14 **Ministry 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 will be the point of contact for all those requiring registration of properties, stamp duty, and company registration.

The Fiji Prisons Service 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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CONSOLIDATED FINANCIAL STATEMENT

14.1 Audit Opinion

The audit of 2008 accounts of the Department of Justice and the Prisons and Correction Department resulted in the issue of a qualified audit report.

The qualifications are as follows.

1. The amounts reflected in the Statement of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Ministry under each output.
2. The Financial Statements were incomplete as the Statement of Losses was not submitted for audit, contrary to Finance Instructions 82.
3. There were significant variances in the FNPF Reconciliations, \$17,678 for Department of Justice while the VAT and FNPF variances for Prisons and Corrections Department amounted to \$201,826 and \$2,783,445 respectively.

14.2 Statement of Receipts and Expenditure

The Department of Justice and the Prisons and Correction Department collected revenue totalling \$19,128,773 and incurred a total expenditure of \$14,927,819 in 2008. Refer Table 14.1 for details.

Table 14.1: Statement of Receipts and Expenditures for 2008

Description	2008 \$	2007 \$
RECEIPTS		
State Revenue		
Stamp Duty	17,502,551	14,019,394
Miscellaneous Fees	1,049,605	709,681
VAT	146,715	137,999
Registration	317,840	339,688
Money Lenders Licence	26,745	27,812
Surplus	149	140
Burial Fees	42,825	36,836
Prisons Industries	39,710	80,577
Total State Revenue	19,126,140	15,352,127
Agency Revenue		
OPR – Previous Years	2,077	4,985
Commission	556	160
Total Agency Revenue	2,633	5,145
TOTAL REVENUE	19,128,773	15,357,272
EXPENDITURE		
Operating		

Description	2008 \$	2007 \$
Established Staff	9,769,405	9,913,740
Unestablished Staff	344,020	355,331
Travel and Communication	413,197	405,228
Maintenance and Operations	1,170,420	833,868
Purchase of Goods and Services	1,572,870	1,477,626
Operating Grants and Transfers	20,143	28,921
Special Expenditures	333,399	154,364
Total Operating Expenditure	13,623,454	13,169,078
Capital Expenditure		
Construction	740,412	947,016
Purchases	32,084	67,600
Total Capital Expenditure	772,496	1,014,616
Value Added Tax	531,869	1,502,624
TOTAL EXPENDITURE	14,927,819	15,686,318

There was an increase of revenue by \$3,771,501 or 25% in 2008 when compared to 2007. This was mainly due to the increase in the stamping of documents and also increase in demand for search and photocopies of documents.

There was a net decrease in expenditure in 2008 by \$758,499 or 5% when compared to 2007. This was mainly due to decline in Established Staff by \$144,335 or 2%, Maintenance & Operations by \$336,552 or 40% and Capital Constructions by \$206,604 or 22%.

14.3 Statement of Output Costs

The Statement of Output Costs consolidates the 6 outputs as prescribed in the Budget Estimates, contrary to the requirements of Finance Instructions. These are detailed in Appendix 14.1.

14.4 Appropriation Statement

The Ministry incurred expenditures totaling \$14,927,819 in 2008 against the budget of \$15,773,200 resulting in a savings of \$845,381.

Details of expenditures against the budget estimates are provided in Table 14.2.

Table 14.2: Appropriation Statement for 2008

SEG	Item	Budget Estimate \$	Changes (Note 4) \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
1	Established Staff	9,875,400	-	9,857,400	9,769,405	0	87,995
2	Unestablished Staff	348,900	-	348,900	344,020	0	4,880
3	Travel & Communication	382,900	28,821	411,721	413,197	0	(1,476)
4	Maintenance & Operations	919,000	256,097	1,175,097	1,170,420	0	4,677
5	Purchase of Goods & Services	1,730,300	(105,812)	1,624,488	1,572,870	0	51,618
6	Operating Grants & Transfer	18,400	4,000	22,400	20,143	0	2,257
7	Special Expenditure	180,000	155,894	335,894	333,399	0	2,495

SEG	Item	Budget Estimate \$	Changes (Note 4) \$	Revised Estimate \$	Actual Expenditure \$	Carry-Over \$	Lapsed Appropriation \$
	Total Operating Costs	13,436,900	339,000	13,775,446	13,623,454	0	152,446
	Capital Expenditure						
8	Construction	1,549,800	(205,000)	1,344,800	740,412		604,388
9	Purchases	170,000	(134,000)	36,000	32,084	0	3,916
	Total Capital Expenditure	1,719,800	(339,000)	1,380,800	772,496	0	608,304
13	Value Added Tax	616,500	-	616,500	531,869	0	84,631
	TOTAL EXPENDITURE	15,773,200	-	15,773,200	14,927,819	0	845,381

The Ministry of Finance approved the transfer of \$339,000 between the SEGs of the Ministry's appropriation head during the year:

14.5 Statement of Losses

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

AUDIT FINDINGS

14.6 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.¹

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.²

The Ministry submitted its Consolidated Agency Financial Statements for audit on 31/03/09. Audit noted that the financial statements were not prepared in accordance with the requirements of Section 82 and Schedule 1 of the Finance Instructions 2005.

The following discrepancies were noted;

- The Ministry failed to prepare and submit the Statement of Losses and Statement of Assets and Liabilities;
- The amounts in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to express an opinion on the accuracy of the expenditures incurred by the Department under the output.

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.

¹ Finance Instructions 2005 – 81 (2)

² Finance Instructions 2005 – 81 (3)

Recommendation

The Ministry should ensure that the requirements of the Finance Instructions are complied with regards to the preparation of the Agency Financial Statements.

Management Comments

Audit recommendation is noted and we will ensure that we comply with Financial Instruction 82 of 2005 when compiling the 2009 Financial Statement.

14.7 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.³

• Department of Prisons

A review of the VAT returns reconciliations revealed significant un-reconciled variances between the taxable actual VAT payments and the total expenditure in the Statement of Receipts and Expenditure.

Audit also noted variance between the actual VAT payments for 2008 and the balances disclosed in the general ledger (FMIS) for Department. Refer Appendix 14.2 for details.

The failure to prepare regular VAT reconciliation has resulted in the unexplained differences.

Recommendations

- The Department 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.**

Management Comments

The Dept will ensure the preparation of VAT returns compiled by the desk officer reconciles with the GL and that supervisory check is improved.

14.8 FNPF 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.⁴

³ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

⁴ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

• **Department of Justice and Prisons & Corrections Department**

A reconciliation of FNPF contributions against salaries and wages reported in the financial statements revealed significant variances. Refer to appendix 14.3 for details.

The variances implied that the Department has overpaid FNPF.

Recommendation

- **The Departments should review its FNPF records and reconciliations and provide explanations for the variances.**
- **The Departments should improve the maintenance of records and ensure that they are easily made available for audit purposes.**

Management Comments

Justice Department

The variance was the result of an FNPF officer and a Housing Authority officer being part of our weekly payroll. However, their salaries and FNPF payments were not part of our financial statement because they are funded by their respective companies. The salaries and FNPF contribution of these two officers were recorded in trust allocation of the general ledger.

Prison Department

The FMIS was off-line towards the end of the year 2008 thus the cheque was raised manually resulting in the variance.

14.9 Revolving Fund Account

A ledger shall be maintained for advances and revolving fund accounts⁵. 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.⁶

• **Prisons and Corrections Department**

The Department did not include the prepaid expense and the advance account balances in the revolving fund – miscellaneous reconciliations. This has resulted in the variance of \$3,042 between the department’s figure and that of the FMIS. Refer table 14.3 for details:

Table 14.3: Prepaid Expenses and Advances

Accounts Number	Accounts Description	Dept’s Amount (\$)	FMIS Amount (\$)	Variance (\$)
11520199011560203	Accounts Receivable	-	-	-
11520171999570101	Prepaid Expenses	No Reconciliation	73	73
11520171999570301	Advances	No Reconciliation	2,969	2,969
Total		-	3,042	3,042

⁵ Finance Manual 2005 16.3.1

⁶ Finance Manual 2005 16.3.3

Furthermore, public funds are unnecessarily held when accountable advance are not cleared within the specified time. It also indicates the laxity of the accounts section in minimizing the error.

Recommendations

- **The Department should ensure that in future the 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 and the advance account balances should be included in the revolving fund – miscellaneous account monthly reconciliation.**

Management Comments

All advances were cleared by the end of 2008 and loaded into the system but the desk officer responsible was not familiar with the process on-line. The FMIS team visited the office early in 2009 and trained the officer responsible on how to clear advances on-line.

DEPARTMENT OF JUSTICE

14.10 Non-Accounting for Value Added Tax – Official Receiver

In any case where a return under Part VII (returns and payment of tax) of the VAT Decree is furnished which understates output tax or overstates input tax, that person shall subject to subsection (2) of this section and Section 70(1) of this Decree be liable to a penalty not exceeding the full amount of the deficient tax.⁷

From our review we noted that the Department did not account for the receipts and expenditure for the Office of the Official Receiver when preparing VAT Returns even though VAT was charged to clients for petition fees. Revenue received from petition fees is held in trust with the Office of the Official Receiver.

The Department made incorrect payments of VAT to Fiji Islands Revenue & Customs Authority and could be charged additional penalty for the error.

Recommendations

- **The Department should account for transactions under the Office of the Official Receiver that are subject to VAT, while preparing the VAT Returns.**
- **The Department lodge the amended VAT Returns to avoid paying penalties.**

Management Comments

Our Accounts Section is liaising with Fiji Islands Revenue & Customs Authority for a separate VAT ID for Official Receiver's office.

⁷ VAT Decree 1991, Section 76A, (1) (a)

14.11 Liquidation of Companies– Non Compliance to Procedures

The Court may appoint the official receiver to be the liquidator provisionally at any time after the presentation of a winding up petition and before the making up of a winding order.⁸ In case where a liquidator is not appointed by the Court, the Official Receiver shall be the liquidator of the company.⁹

The liquidator in a winding up by the Court shall have power –

- To sell the real and personal property and things in action of the company by public auction or private contract.
- To do all acts and execute, on the name and on behalf of the company all deeds, receipts and other documents and for that purpose to use when necessary the company’s seal.
- To prove, rank and claim in the bankruptcy, insolvency or sequestration of any contributory for any balance against his estate and to receive dividends in bankruptcy, insolvency or sequestration in respect of that balance as a separate debt due from the bankrupt or insolvent and rateably with the other separate creditors.
- To draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company with the same effect with respect to the liability of the company as if the bill or note had been drawn accepted made or endorsed by on behalf of the company in the course of its business.
- To raise on the security of the assets of the company any money requisite.
- To appoint an agent to do any business which the liquidator is unable to do himself.
- To do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.

Trustee may deal with any property to which the bankrupt is beneficially entitled in the same manner as the bankrupt might have dealt with it.¹⁰

The sale of assets must be carried out in a transparent and competitive way to ensure that maximum value for money was obtained.¹¹

The Official Receiver is to advertise the receiving order, the date of creditor’s first meeting and of the debtor’s public examination, and such other matters as it may be necessary to advertise.¹²

Although the guidelines are specifically stated in the Bankruptcy Act, audit noted discrepancies in the liquidation of several companies. Refer to the following examples:

Case 1: Golden West Enterprises Ltd Liquidation No. 13/2003

According to the information contained in the respective company file, the company wound up in April 2003 and the only petitioning creditor was a Gyaneshwar Sanehi Rup, who was owed \$7,162. The assets of the company were valued by S.T & Sons Ltd at \$40,790; however the actual sales of the company’s assets amounted to \$57,243 (sales of \$28,778 on 24/06/05 and \$28,465 on 24/05/08). The sale of the company’s assets was done although a court order dated 12/02/08 allowing an appeal and rehearing of the case and that during that period, the Official Receiver was forbidden to engage herself in any sale of the company’s assets.

⁸ Companies Act 1978, Section 236 (1)

⁹ Companies Act 1978, Section 237 (d)

¹⁰ Bankruptcy Act 1978, Section 56 (e)

¹¹ Finance Instructions (2005), Section 59 (3).

¹² Bankruptcy Act 1978, Section 74 (e)

Correspondences by the appellant's lawyer revealed that the Official Receiver was reminded on several occasions not to deal with the assets of the company until the appeal process was exhausted. However, the Official Receiver continued with the winding up process.

**Case 2: Khan's Shipping
Liquidation No. 09/2005**

According to the information contained in the respective company file, the company wound up on 23/09/05 and the only petitioning creditor was BP South Pacific Ltd, which was owed \$57,823.90. While this case was handled by the Official Receiver, the following anomalies were highlighted:

- The Official Receiver invited tenders for Khan's shipping motor vessel "Neha" prior to any valuation of the vessel.
- Khan Shipping applied to the Court to have the Order which vested "Neha" in the Official Receiver's custody, be set aside. Despite being on notice regarding the company's application to the Court, the Official Receiver sold the vessel for \$20,000. The cost price of the vessel was \$285,000.

As a result, the company incurred substantial losses as the market value of vessel could be much higher than the selling price of \$20,000. The company lost the sole temporary franchise for the route around Lomaiviti and lower Southern Lau. In addition, the company lost the contract with the Fiji Shipping Corporation Ltd to cover the two routes on a permanent basis for a period of three years for \$720,000. The company suffered loss of daily cargo charges and passenger fares when it was providing its service on the temporary franchise.

**Case 3: DG Garments
Liquidation No. 59/2001**

According to the information contained in the respective company file, the company wound up on 29/06/01 and the only petitioning creditor was ANZ Bank which was owed \$64,877.59. On 31/01/02, S.T. & Son Ltd made an assessment on the value of the company's assets comprising of office furniture, fittings and ready made garments for the purpose of sale by auction. Audit noted that the valuation report did not state the quantity of these ready made garments. On 15/08/03, the garments were sold by the Official Receiver to Harbour Centre Price Fighter for \$3,500. Documents to support the quantity of garments were not made available for audit purposes. Hence, audit could not substantiate how many garments were sold and whether it was sold near market value.

**Case 4: Woodpac (Fiji) Ltd
Liquidation No. 110/2001**

According to the information contained in the respective company file, the company wound up on 15/04/03 and the only petitioning creditor was Rolf Laxa. A proof of debt of \$68,006.25 was filed by Island Customs Agencies Ltd (ICAL). Audit noted that the Official Receiver, on 17/09/03, paid ICAL the sum of \$73,827.61. Audit could not obtain a valid reason for the payment of an additional sum of \$5,821.36 to ICAL.

**Case 5: Om Chand
Receivership No. 58/1987**

According to the information contained in the respective file, Mr. Om Chand (f/n Charlie Misri) went into receivership on 29/02/98 and the only petitioning creditor was the Suva City Council that was owed \$48,162.04 for rates. The following anomalies were noted:

- No meeting was summoned by the Official Receiver to verify the creditors claim.
- The Official Receiver, who was the trustee in bankruptcy, transferred Mr. Om Chand's property situated at 350 Waimanu Road to Icon Investments Ltd on 23/11/06 without the consent or resolution of the owner.
- Speedy Valuation Ltd was engaged to undertake the property's valuation that amounted to \$250,000 as at 23/07/04. Contrary to this, the property was sold at \$200,000 to Icon Investments Ltd. Other valuations obtained include the following:

Valuation Date	Registered Valuer	Market Value (\$)
21/10/06	Apac Valuation	520,000
26/06/97	Vidya Narayan Valuation	345,900

- Audit obtained second opinion from Principal Valuer Apolosi Vinau of the Lands & Survey Department on 02/02/09 who confirmed that the highest bid of \$200,000 from Icon Investments Ltd was questionable as the market for real estate was at its peak during 2004. Hence, he agreed that it really did not make any sense why the tender price was less unless the buyer was pre-determined.
- A conflict of interest aroused as Mr. Mohammed Anwar Khan carried out his services as a lawyer to both the buyer of the property (Icon Investment Ltd) and the Official Receiver. Mr. Khan was also a councillor of Suva City Council who dealt with Om Chand's case during the Council's meeting.
- The Official Receiver also failed to properly follow the procedures of the tender by accepting the tender of Icon Investments Ltd because of the following reasons:
 - Mr. Chand remained solvent as he had arranged a loan with the Colonial National Bank through his lawyers Maharaj Chandra & Associates on 03/04/06 of which the Official Receiver was aware of and despite this the property was transferred to Icon Investments Ltd on the same day (03/04/06) at 3pm.
 - The Official Receiver failed to re-advertise the tender as the highest bid was below the market value of \$250,000.

The Official Receiver had more than a fiduciary duty towards the debtors and has failed to perform her duties diligently as exemplified in the above cases, which resulted in substantial losses by the debtors.

Recommendations

- **The Department should implement stringent controls at the Official Receiver's Office to avoid abuse of trust and minimize favoritism and personal gain.**
- **An internal investigation should be carried out and the Official Receiver should be disciplined accordingly.**

Management Comments

1. *Upon checking the above files, we agree with the comments by the Audit Report.*
2. *At the time before the 2008 Audit, there was no proper channel in regards to verifications of documents or signing of cheques for payment. The Official Receiver had the last say on all payments that is needed to be done.*
3. *There was no Tender Committee to oversee the sales and purchase of seized items.*
4. *It is therefore concluded that the discrepancies found are true and therefore on recommendation is to pursue further investigations by police or by other means "IF" needed be for the sake of the office transparency and accountability.*

Implemented Procedures

- 1) A Tender Committee had been appointed for the sale of all seized assets.
- 2) The signing of cheque is solely done by the Justice Accounts Section, upon checking and verifying with the Deputy Official Receiver and Acting Administrator General.
- 3) The office is engaging Attorney General's chambers legal officers to act on behalf of the office rather than appointing private law firms.

14.12 Discharged/Cancelled Liquidation and Bankruptcy Cases

In the case of any company whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set off against any subsequent call.¹³

Certain liquidation and bankruptcy cases have been cancelled but the accounts were still open with balances either to be refunded to the respective Company Directors or journalised to the official receivers fees account. The issue was also reported and discussed in previous years audit but the department failed to take corrective actions. Refer to Appendix 14.4 for examples.

Fraud and mismanagement of funds increases if funds are unnecessarily maintained in the trust fund accounts.

Recommendation

The Official Receiver should ensure that funds are paid out or cleared to avoid accumulation of funds in the trust accounts. The risk of fraud or misappropriation of funds is also reduced when minimal funds are held trust by the Office.

Management Comments

After a thorough inspection of individual files of these discharged liquidated cases and bankruptcies cases, the leftover monies have been identified to be either kept to the following accounts:

- Balance of petition fees that were paid by the petitioning creditors
- Balance of over payment by liquidated companies and bankruptcies clients.

Implemented Procedure

- 1) Advertisement is to be made in the dailies or by all other means possible for a contributors meeting to inform the directors about surplus funds.
- 2) If it's impossible by all means to achieve (1) above, the balance is to be treated as Government Revenue.
- 3) To facilitate the balance of petition fees for Government Revenue.

14.13 Follow Up – Issues from Previous Years' Audits - 2007

We followed up on the issues that have been continuously highlighted in the previous years' audits. Some of the issues have yet to be resolved by the Department. Refer to the following:

¹³ Companies Act, section 255(3)

14.13.1 Bank Reconciliation – Office of the Official Receiver

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 authorized to operate on it. 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.¹⁴

We noted from our review of the Bank Reconciliation Statement for December 2008 that some deposits from as far as nine years back are still reflected in the Bank Reconciliation as receipts not credited by the bank. Refer to Appendix 14.5 for details.

The bank balances were therefore misstated and the risk of fraud is high as monies receipted were not banked.

Recommendation

All outstanding lodgements should be followed up and cleared as soon as possible.

Management Comments

Reconciliation

Reconciliation of our records and the bank are done monthly.

Clearance of Charges

With the Accounts Section involvement in September 2008, some pending charges were cleared from the bank reconciliation statement.

We were not able to clear pending items for 1990 to 2001 because relevant documents were not readily available for viewing and identification of charges.

Once we view the relevant documents and identify the charges then we can take appropriate steps to clear them.

We are putting in extra effort to locate the documents.

The Bank Balance

We take note of Audit recommendation but we can only provide a true position once we have the records on hand.

Note

Please note that officers that were in office from 1990 to 2002 are no longer in the Department or the Civil Service. However, we are putting extra effort to clear them.

DEPARTMENT OF PRISONS AND CORRECTIONS

14.14 Procurement of Good and services

The Accountant must obtain at least 3 written competitive quotes for any procurement of goods, services or works that cost more than \$100 but less than \$20,000¹⁵.

¹⁴ Finance Instructions 2005 – Part 6 – Assets -39(1) & (5)

¹⁵ Finance Instructions 12 (1)

Public tenders must be called for any procurement of goods, services or works valued at \$20,000 or more, unless a tender board has approved an exemption.¹⁶

Audit noted that no tender was called for the purchase of caps, tee shirts and shirts bought from Xoolu Enterprises Limited. Refer table 14.4 for details:

Table 14.4: Tender Not Called For Procurement valued above 20,000

Date	Invoice No.	Description	Amount (\$)
10/07/2008	00000965	- 3000 Embroidered Caps	18,000
		- 3000 Printed round neck tees	25,500
		- 80 Bula shirts with printed logo	1,760
TOTAL			45,260

In addition, the Department failed to obtain competitive quotations for items that cost more than \$100 but less than \$20,000. Refer table 14.5 for examples:

Table 14.5: Lack of quotations

Date	Voucher No.	Vendor	Amount (\$)
13/03/08	16813	Goodman Fielder	5,118.80
16/05/08	19150	Carpenters Mobil Station	1,201.02
04/07/08	20924	Glitz Lighting	7,010.00
08/08/08	21816	Glitz Lighting	2,935.13
02/12/08	25908	Carpenters Hardware	1,995.00
12/12/08	25253	Rotomould (Fiji) Ltd	2,300.00

As a result the Department was in breach of the procurement requirements as stated in the Fiji Prison Service's Finance Manual.

Recommendations

- **The Department should adhere to the requirements of the tender process as per the Finance Manual.**
- **The Officers responsible should be cautioned for not adhering to the tender requirements.**

Management Comments

The Department will ensure that the tender process stipulated in the Fiji Prison Services Agency Manual will be complied with in future and those responsible for defying the regulations will be dealt with severely.

14.15 Comparative Cost Analysis

The Accountant must obtain at least 3 written competitive quotes for any procurement of goods, services or works that cost more than \$100 but less than \$20,000¹⁷.

Audit noted that although quotations were obtained for the purchase of capital items for renovations of institutional quarters and piggery shed, the Department failed to do a cost analysis to determine cost of

¹⁶ Prisons and Corrections Department Finance Manual 2.3.1

¹⁷ Finance Instructions 12 (1)

each items from the suppliers. As a result, the Department had spent more funds than necessary. Refer to Appendix 14.6 for examples of comparative analysis.

The Department incurred extra costs for the purchase of capital items which could have been obtained at a cheaper rate.

Competitive quotations are required for a purpose and that is to ensure that goods and services are purchased from the most economical source. If a comparative cost analysis is not carried out, the Department may incur costs which could have been avoided.

Recommendation

For bulk purchases, it is recommended that the Department carry out comparative cost analysis of quotations obtained to ensure that items are purchased at the most economical prices.

Management Comments

In future cost benefit analysis will be carried out to ensure that future procuring of goods and services are purchased from the most economical source.

Appendix 14.1: Statement of Output Costs for 2008**Department of Justice****General Administration**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established staff	556,759	426,541
Government Wage Earners	29,416	5,315
Travel and communications	15,422	34,661
Maintenance & operations	84,037	63,558
Purchase of goods and services	1,474	1,243
Operating grants and transfers	5,000	5,000
Special Expenditures	-	-
Total Operating Costs	692,108	536,318
Value Added Tax	4,322	39,893
TOTAL COSTS	696,430	576,211

Registries

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established staff	828,249	1,012,574
Government Wage Earners	34,683	78,110
Travel and communications	48,749	45,167
Maintenance & operations	153,329	149,770
Purchase of goods and services	20,776	11,185
Operating grants and transfers	-	-
Special Expenditures	56,836	50,347
Total Operating Costs	1,142,622	1,347,153
Value Added Tax	40,121	173,514
TOTAL COSTS	1,182,743	1,520,667

Department of Prisons**Portfolio Leadership, Policy and Secretarial Support**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,708,397	1,577,206
Unestablished Staff	-	-
Travel & Communication	63,535	33,863
Maintenance & Operations	715,604	465,135
Purchase of Goods & Services	41,524	22,461
Operating Grants & Transfers	1,000	-
Special Expenditure		-
Total Operating Costs	2,682,548	2,098,665
Capital Expenditure		
Capital Construction	-	947,016
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Expenditure	-	947,016
Value Added Tax	121,926	372,792
TOTAL EXPENDITURE	2,804,474	3,418,473

Detention Services

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	3,977,162	6,897,417
Unestablished Staff	186,614	271,907
Travel & Communication	189,828	291,536
Maintenance & Operations	170,836	155,407
Purchase of Goods & Services	1,447,610	1,442,738
Operating Grants & Transfers	-	23,921
Special Expenditure	4,966	104,017
Total Operating Costs	5,977,016	9,186,943
Capital Costs		
Construction	512,695	-
Purchases	32,084	67,600
Total Capital Costs	544,779	67,600
Value Added Tax	294,909	916,426
TOTAL EXPENDITURE	6,816,704	10,170,969

Detention Services - Welfare

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,799,052	-
Unestablished Staff	93,307	-
Travel & Communication	44,500	-
Maintenance & Operations	31,074	-
Purchase of Goods & Services	5,863	-
Operating Grants & Transfers	14,143	-
Special Expenditure	-	-
Total Operating Costs	1,987,939	-
Capital Costs		
Construction	227,716	-
Purchases	-	-
Total Capital Costs	227,716	-
Value Added Tax	40,412	-
TOTAL EXPENDITURE	2,256,067	-

Education & Training – Detainees rehabilitation and Skills Development

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	899,787	-
Unestablished Staff	-	-
Travel & Communication	51,164	-
Maintenance & Operations	15,537	-
Purchase of Goods & Services	55,624	-
Operating Grants & Transfers	-	-
Special Expenditure	119,109	-
Total Operating Costs	1,141,221	-
Capital Costs		
Construction	-	-
Purchases	-	-
Total Capital Costs	-	-
Value Added Tax	30,179	-
TOTAL EXPENDITURE	1,171,400	-

Appendix 14.2: Vat Reconciliations**Department of Prisons**

Details	\$	\$
Total Income/Expenditure as per Expenditure Statement		13,048,646
Less: Expenditure not subject to VAT		
SEG 1	8,384,399	
SEG 2	279,921	
SEG 6	15,143	
SEG 10	-	8,679,463
		4,369,183
Less: Total taxable supplies as per VAT return		4,167,357
Difference		201,826

Details	\$
Actual VAT payments	\$
VAT payments (VAT payment to FIRCA and VAT input) as per Statement of Financial Operation	487,426
VAT payments (VAT payment to FIRCA and VAT input) as per VAT returns for the year	569,941
Difference	(82,515)

Appendix 14.3: FNPF Reconciliation**Department of Justice**

Details	\$
(a) Total FNPF against salaries and wages for 2008	
FNPF as per financial statement	110,019
Add: FNPF for December 2008	
Payment made not entered into FMIS for 2008	9,147
	119,166
Less: FNPF for December 2007	10,626
	108,540
Gross pay subject to FNPF (108,540 divided by 0.08)	1,356,750
(b) Salaries and wages for 2008 subject to FNPF:	
Salaries, wages and allowances as per financial Statement	1,339,085
Less: Salaries and wages not subject to FNPF	-
Salaries, wages and allowance for 2008 subject to FNPF	1,339,085
Variance	17,665

Department of Prisons

Details	\$
Total FNPF against salaries and wages for 2008	
FNPF as per Financial Statement	454,915
Less: December 2007 FNPF	104,682
Add: December 2008 FNPF	120,237
FNPF for 2008	470,470
Gross Pay subject to FNPF (470,470/0.08)	5,880,875
Salaries and Wages for 2008 subject to FNPF	
Salaries, wages and allowance as per financial statement	8,664,320
Salaries, wages and allowance for 2008 subject to FNPF	8,664,320
Variance	(2,783,445)

Appendix 14.4: Cancelled Liquidation and Discharged Bankruptcy Cases**Cancelled Liquidation Cases**

Company Name	Account No.	Balance (\$)
Bekana Garden Island Resort Limited	3506	4,431.28
Rex Investments Limited	311	3,083.77
Pacific Pools & Construction Company Limited	3297	15.81
Channel 2(Fiji) Limited	3513	51.73
Enesi Yavala	7194	6,074.52
Taiwan Timber Company (Fiji) Limited	2647	65.54
Radar Pacific Pty Ltd	2445	9,448.21
Han Bae Enterprises (Fiji)Ltd	2773	160.94
Jafar Construction	2556	49.30

Discharged Bankruptcy Cases

Company Name	Account Number	Balance (\$)
Abdul Aziz	219	213.07
Akosita Toga Ratumaimuri	5490	83.00
Alfred Dewa	279	174.06
Bimla Wati	470	25.32
Jone Lutu	7432	771.64
Don Bruce	5644	504.62
Filimoni Rolagavau	4954	171.85
Arun Kumar	261	170.46
Feroz Khan	858	127.50
Gajen Nand	963	63.48

Appendix 14.5: Receipts not credited by Bank**Bankruptcy Deposits not credited:**

Date	Receipt No.	Amount (\$)
26/11/1990	6564	50
01/12/1990	6571	20
06/12/1990	6572	30
07/02/1991	240	150
19/04/1991	-	100
10/06/1992	1307	100
10/06/1992	825	300
26/06/1992	826	235.19
02/07/1992	864	15
07/07/1992	976	100
29/07/1992	882	20
31/08/1992	896	50
31/08/1992	895	20
01/09/1992	897	30
01/09/1992	898	50
07/01/1993	1304	110
08/01/1993	1305	30
08/01/1993	1306	200
27/04/1994	978	50
04/05/1995	3274	30
16/02/1996	5609	20
01/12/1997	2701	110
01/12/1997	10237	103
01/12/1997	10240	103
09/08/2004	-	149.18
06/09/2004	-	10
07/09/2004	-	120
20/09/2004	-	100
22/10/2004	-	120
31/05/2005	-	1,104.61
15/12/2006	24042	50
11/09/2007	27792	132.5
15/05/2008	29531	4.52
18/07/2008	27917	100
22/07/2008	29969	112.5
15/08/2008	30050	2.26
Total		4,031.76

Liquidation deposits not credited:

Date	Receipt No.	Amount (\$)
3/02/1989	-	100
3/02/1989	-	1,700.00
7/02/1989	-	100
20/11/1993	-	100
29/04/1989	-	100
7/04/1989	-	200
26/02/1989	779	100
-	1962	110
-	1969	2,300
-	2092	50
6/03/1996	2197	110
26/07/1996	2476	110
30/09/1996	9033 & 9034	220
-	10175	200
-	2351	110
Total		5,610

Appendix 14.6: Comparative Analysis**Purchase of items from Suncourt Hardware for renovating quarters:**

Item No	Description	Suncourt Hardware (\$)	R.C. Manubhai (\$)	Vinod Patel (\$)	Variance (\$)
Married Quarters 1					
1	Sealer Paint	350.00		280.00	70.00
2	Broken white	720.00		620.00	100.00
7	8 Blade Louvre Frame	611.00	325.00		286.00
17	Turpentine	225.00	180.00		45.00
Married Quarters 2					
2	4mm Interior Plyboard	474.00	432.00		42.00
6	Brown Stain	220.00			220.00
13	300*300mm Quarry Tiles	828.00	460.00		368.00
14	CTF Glue 20k	160.00	155.00		5.00
19	Turpentine	150.00	120.00		30.00
20	Sealer Paint	350.00		280.00	70.00
21	Broken White	720.00		620.00	100.00
Married Quarters 3					
1	4130mm Roofing Iron	245.32		196.50	48.82
Married Quarters 4					
1	G24 Roofing Iron 4130mm	858.62	792.26		66.36
Married Quarters 5					
1	4130mm *G24 Roofing Iron	367.98	339.54		28.44
Married Quarters 7					
2	4130mm *G24 Roofing Iron	735.96	679.08		56.88
Married Quarters 8					
1	4130mm *G24 Roofing Iron	1,533.26	1,414.75		118.51
Married Quarters 11					
1	4240mm Roofing Iron	882.00	813.40		68.60
Total Overspent					1,723.61

Purchase of items from Carpenters Hardware for the piggery shed:

Item No.	Item Description	Carpenters Hardware(\$)	Suncourt Hardware(\$)	Vinod Patel(\$)	Variance (\$)
1	50 kg Bag Cement	363.00	360.00		3.00
4	2m * 700mm Mesh Wire	735.00		719.00	16.00
5	855 * 795mm Mesh	220.00	120.00		100.00
7	100*50mm Timber	50.40		46.73	3.67
8	100*75mm Timber 5m	140.00	127.50		12.50
12	75*50mm Timber 5m	344.25	318.75		25.50
13	24g Galv Roofing Iron 1.2m	684.00		616.00	68.00
15	10mm Deformed Bar 6m	35.50	33.00		2.50
16	12mm Deformed Bar 6m	50.75	47.50		3.25
17	Fine Sand	290.00			290.00
18	Portland Cement 50kg	242.00	240.00		2.00
19	2m * 700mm Mesh Wire	477.75	390.00		87.75
22	20mm Galv Pipe 6m	49.00		45.00	4.00
23	40mm Galv Pipe 6m	87.60	78.00		9.60
24	150 *75mm Timber 6m	64.00	57.40		6.60
25	150 * 50mm Timber 6m	467.00	395.25		71.75
26	151 * 50mm Timber 5m				

Item No.	Item Description	Carpenters Hardware(\$)	Suncourt Hardware(\$)	Vinod Patel(\$)	Variance (\$)
27	75 *50mm Purlin 5m	1,137.93	1,115.62		22.31
28	24g Galv Roofing Iron 4.4m	6,265.00		4,050.00	2,215.00
29	Galv Strap	76.00	72.00		4.00
30	Flushing Galv 1.8m	135.00		69.00	66.00
31	Ridge Cap 1.8m	405.00	190.00		215.00
32	200*25mm Fascia Board 5m	772.50	760.00		12.50
33	Galv Nail 100mm	100.00	87.50		12.50
34	Galv Nail 75mm	100.00	87.50		12.50
35	Galv Nail 50mm	40.00	37.50		2.50
36	30mm Clout Nail	21.25	20.00		1.25
38	Neuprene Washer	48.00		44.00	4.00
39	Pink Primer Paint	180.00		169.00	11.00

Section 15 Department of Information

Role and Responsibilities

The Department 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 Department also provides the link between Government and media and through the latter with people.

The Department will be responsible for developing and introducing new media legislation to develop a more vibrant media industry. It will seek to promote and encourage industry initiatives in areas such as human resource development and training, professional development and networking in the media. Its development policies on the mass media signify the critical role of this sector in the national development by placing special considerations on the people's needs and aspirations.

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 Ministry also advises and assists Government Offices in their record management. Further improvements are essential for the existing facilities to ensure the safety and proper preservation of public records. Emphasis will be given to repairing damaged records and the restoration of micro filming of old and fragile documents. The Reference Library and Research Section will continue to encourage compliance on the Fiji "legal deposit" requirements.

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FINANCIAL STATEMENT

15.1 Audit Opinion

The audit of the 2008 accounts of the Department of Information has resulted in the issue of a qualified audit report.

The qualifications are as follows:

- The amounts in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Department under each output.
- The Department has not provided for audit a Trust Account Statement of Receipts and Payments, contrary to Finance Instructions 82(1). The Financial Management Information System (FMIS) shows that the Department as at 31/12/08 had an overdrawn trust funds account balance amounting to \$137,900.
- There is significant variance in the VAT and FPNP reconciliation totalling \$366,635 and \$11,152 respectively when compared to the accounts as at 31/12/08.

15.2 Statement of Receipts and Expenditure

The Department collected revenue totalling \$37,664 and incurred a total expenditure of \$4,398,793 in 2008.

Table 15.1: Statement of Receipts and Expenditure for 2008

Description	2008 \$	2007 \$
RECEIPTS		
State Revenue		
License Fees - Telecom & TV	11,368	1,114,000
Other State Revenue	0	141,020
Total State Revenue	11,368	1,255,020
Agency Revenue		
Revenue from Sale of Production Film	9,487	18,143
Miscellaneous	16,809	12,458
Sale of Photographs	0	0
Other Agency Revenue	0	0
Total Agency Revenue	26,296	30,601
TOTAL REVENUE	37,664	1,285,621
EXPENDITURE		
Operating Costs		
Established Staff	1,030,919	1,290,089
Unestablished Staff	161,770	144,533
Travel & Communication	135,098	128,872
Maintenance & Operations	153,983	211,517

Description	2008 \$	2007 \$
Purchase of Goods & Services	290,568	225,257
Operating Grants & Transfers	1,427,619	1,018,558
Special Expenditure	197,875	407,311
Total Operating Expenditure	3,397,832	3,426,137
Capital Expenditure		
Capital Construction	776,071	1,688,406
Capital Purchase	19,070	-
Total Capital Expenditure	795,141	1,688,406
Value Added Tax	205,820	411,584
TOTAL EXPENDITURE	4,398,793	5,526,127

The decline in total revenue by \$1,247,957 (97%) was due to the shift of the Department of Communication to the Ministry of Trade and Commerce in 2008. Total expenditure declined by \$1,127,334 (20%) due to decreases in capital expenditure by \$893,265 (53%) and VAT by \$205,764 (50%).

15.3 Statement of Output Costs

The Statements of Output Costs are detailed in Appendix 14.1.

15.4 Appropriation Statement

The Department incurred expenditures totalling \$4,398,793 in 2008 against the budget of \$4,422,700 resulting in a savings of \$23,907 or 0.6%.

Details of expenditures against the budget estimates are provided in Table 15.2.

Table 15.2: Appropriation Statement for 2008

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	1,225,000	(221,200)	1,003,800	1,030,919	0	(27,119)
2	Unestablished Staff	121,800	34,720	156,520	161,770	0	(5,250)
3	Travel & Communication	153,600	(5000)	148,600	135,098	0	13,502
4	Maintenance & Operations	171,700	(9,570)	162,130	153,983	0	8,147
5	Purchase of Goods & Services	307,600	(10,950)	296,650	290,568	0	6,082
6	Operating Grants & Transfers	1,179,200	249,400	1,428,600	1,427,619	0	981
7	Special Expenditure	253,000	(61,400)	191,600	197,875	0	(6,275)
	Total Operating Costs	3,411,900	(24,000)	3,387,900	3,397,832	0	(9,932)
	Capital Expenditure						
8	Construction	800,000	0	800,000	776,071	0	23,929
	Capital Purchase	0	24,000	24000	19,070		4,930
	Capital Grants and Transfers	0	0	0	0		0
	Total Capital Expenditure	800,000	24,000	824000	795,141	0	28,859

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
13	Value Added Tax	210,800	0	210,800	205,820	0	4,980
	Total Expenditure	4,422,700	0	4,422,700	4,398,793	0	23,907

15.5 Statement of Losses

There was no loss of money recorded for the year 2008.

AUDIT FINDINGS

15.6 Agency Financial Statements

Commencing 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 an audit opinion prepared by the Auditor General.¹

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.²

The Department of Information submitted its agency financial statements for audit on 14/04/09. Audit noted that the financial statements submitted were not prepared in accordance with the requirements of Section 82 and Schedule 1 of the Finance Instructions 2005.

The following discrepancies were noted:

- The department failed to prepare a trust fund account statement of receipts and payments.
- The 2008 budget prescribed eight outputs; however, the department only submitted four statements of output costs which were prepared according to the budget activities. In addition, audit could not substantiate the balances reflected in the statements of output costs as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government.

Recommendation

The Department should ensure that the requirements of the Finance Instructions 82 are strictly followed in the preparation of the Department's financial statements.

Management Comment

The findings of the Audit team is noted and acknowledged. First of all the trust account stated in the Finance Instruction refers to trust accounts for which separate bank accounts are maintained. The Ministry of Information does not hold such trust account. In terms of the operating trust accounts, these can not form part of

¹ Finance Instructions 2005 – 81 (2)

² Finance Instructions 2005 – 81 (3)

the financial statement as these funds are deductions made from officers salaries and wages which are payable to institutions nominated by them such as insurance companies and those required by law such as FNPF. The second part of the issue relates to output costing. As far as the department is concerned, the budget is not set up to generate the output costs as required nor was any formula provided to be used by the Ministry to isolate the costs to each output. However, the outputs of the ministry basically fit into the four activities. This question should be directed to the Ministry of Finance who are responsible for the FMIS system.

15.7 Operating Trust Fund Account

The audit noted from FMIS an overdrawn balance of \$137,900.20 under the following Trust Fund Account. Refer to Table 15.3 for details:

Table 15.3: Details of the Operating Trust Fund Account

Details	Account No	Balances \$
11610116999861601	341 Pd Maint-Suva	12.00
11610116699861211	Yyy Pd Alexander Stenhouse	21.78
11610116999861309	388 Pd Psc Scholarship Loan	35.87
11610116999861101	202 Pd Opr Current Year	40.00
11610116999861102	384 Pd Opr Previous Year	100.00
11610116999861299	Xxx Pd Others	378.84
11610116101861901	201 Pd Tax Arrears / Paye	5,648.77
11610116101861902	204 Pd Depst A/C Recoverable	16,367.68
11610116999861920	501 P D Employees Fnfp	115,295.26
Total		137,900.20

Recommendation

The department should investigate the overdrawn (debit) balance and adjust accordingly.

Management Comment

Again the comment of the Audit team is acknowledged as correct. The current Chart of Accounts contributes to this factor. It allows more than one account number to be able to exist for a single item. For example, for 501 PD Employees FNPF we have the account number 1-16101-16999-861920 and 1-16101-16101-861920. Both accounts are valid and one account records the credits while the other records the debits. The audit team noted that account no. 1-16101-16999-861920 had a balance of \$115,295.26 debit. The reconciliation statement provided to the audit team showed the combined balance of the two accounts which combines the debits and the credits and the total combined balance of the two accounts was \$11,814.44 credit and represents the December FNPF deducted and payable in January of 2009. The other debit balances are the result of misallocation during posting of data. Some of these have already been adjusted in 2009 as the senior accountant is now working on the reconciliation of all trust account to make sure that charges are adjusted to their proper allocations.

15.8 Unserved Bond by Susan Grey

The period of bond shall be equivalent to the length of training except that no period of bond shall exceed six years or less than one year.³ The amount of Bond is the actual amount spent on the officers training by the Government.⁴

³ General Order 901 (b)(ii)

Officers who have been confirmed to the permanent establishment must, if they wish to resign give not less than 30 consecutive days of their intention, in order that other arrangements may be made for the filling of their posts. The period of notice of resignation should exclude any annual and long service leave due to an officer before resignation. Unless approved by the Commission, an officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice.⁵

Ms Susan Naisara Grey (EDP No.49979), a former Director proceeded on study leave in 2006 to pursue a Master of Arts in Governance programme at the University of the South Pacific. The officer's approval to study with full pay was approved by PSC as she was earmarked to contribute to the leadership and executive role in providing advice to the Head of the Department. The Officer was bonded for one year amounting to \$41,367.

The audit noted that after completion of her studies the officer had served only eight months before tending her resignation. The officer tendered her resignation on the 15/09/07 and vacated the office without giving the 30 days notice. Audit confirmed through an email⁶ that she started work at the American Embassy on the 4th of October 2007.

Furthermore the officer had outstanding annual leave amounting \$3,125.98 and a sum of \$1,651.46 in overpaid salary after the officer had resigned thus, not complying with GO 222. The unserved bond for four months amounted to \$14,312.67. Refer to Table 15.4 for details;

Table 15.4: Susan Greys Outstanding Liabilities Summary

Particulars	Liability	Value (\$)
Failure to Fulfil Bond obligation	4 months	14,312.67
Deemed to not have given 30 days notice	30 days less 3.5 days unutilized leave with balance of 26.5 days	3,125.98
Overpayment of Salary pay 5/11/07 – 18/11/07		1,651.46
Total Liability owed by officer to Government		19,090.11

Recovery of the bond amount and salary overpayments was not enforced on the officer or her guarantors.

Recommendations

- **The Department should write to the officer's current employers in order to recover the outstanding sum of \$19,090.11.**
- **If necessary Department should consider taking legal action against the officer.**

Management Comments

This issue was raised in the audit of the 2007 accounts and the Ministry pursued the following strategies to recover the overpayment:

- *We spoke with Susan Grey and she agreed to make fortnightly payments of \$100.00 to the ministry towards the recovery of this overpayment.*
- *The officer started this commitment by payment of cash to the Ministry's Accounts Section. She paid a total of \$500.00.*

⁴ General Order 901 (c)(ii)

⁵ Section 222 (a) of the General Orders

⁶ Email dated 4/10/07

This issue has again been included in the 2008 Audit report because the officer discontinued her payment. We found out later that the officer had left the country to pursue her career with AUSAID and is based in Papua New Guinea. The Ministry intends to pursue this by taking the following actions:

- *Contact the guarantor of her bond and seek redress from him.*
- *Inform the Department of Immigration to put a flag on her name so that we can issue a 'stop order' if and when she comes into the country so that a settlement plan can be agreed to before further travel is allowed.*

This has been a learning experience for the Ministry for both the Finance and the Administration sections and we undertake to ensure that similar situation does not occur in the future.

15.9 Expendable Items Register

Inventories which are material in value should be recorded in an inventory system.⁷ The Clerical Officer (Admin) shall record items in an expendable items register.⁸ The clerical officer (Admin) must ensure that the register is kept updated.⁹

All assets acquired with a cost in excess of \$2,000, shall be recorded in a fixed assets register.¹⁰ The Clerical Officer shall record items valued at less than \$2000 but more than \$200, in an expendable items register.¹¹

Physical assets provide a vital resource base that supports the delivery of outputs by the department therefore, it is important to ensure that all the assets are safeguarded and properly maintained.

The audit noted that some items were not taken on charge in the inventory register in 2008. Discussion held with the officer in-charge revealed that the inventory register was only updated when vouchers are received from the accounts section. Refer to Table 15.5 for examples of unrecorded items:

Table 15.5: Expendable Items Register

Date	Payee	Voucher Number	Details	Amount (\$)
31/03/08	Copyer Marketing Ltd	4336	To replace drum unit to Samsung CLPSSON.	495.00
26/09/08	Office Products	6108	DELL Optiplex 740DT computer for 1676.19 and purchase a fax machine – HP office Jet 4255 for \$398.82.	2,075.00
13/10/08	Transcomm	6326	Payment for supplying & installing a Tele-conferencing unit.	1,972.04
02/12/08	Golden Dragon Music Shop	6993	Payment for providing a SM63LB microphone.	540.00
04/12/08	University Book Centre	7014	Being payments of books e.g. A Fijian princess, Asia in the Pacific Islands covenant makers, Secondary Education in Fiji.	550.95
09/12/08	Transcomm	7088	Payment for purchasing a Tatung GSM unit for the department.	800.00
15/12/08	Compac Awa	7106	Payment for supplying a digital Multimeter Fluke 179.	480.00
16/12/08	Office Product	7171/7183	Purchase of full height Glass Sliding door cupboard Jastek A3 Laminator.	715.00

⁷ Finance Instruction Division 2 (44)

⁸ Finance Manual 2005 11.2.5

⁹ Finance Manual 2005 11.2.6.

¹⁰ Finance Manual 2005 11.1.2

¹¹ Finance Manual 2005 11.2.5

Date	Payee	Voucher Number	Details	Amount (\$)
19/12/08	Homleco Ltd	7211	Supplying a Phillips digital voice recorder.	490.00
19/12/08	Morris Hedstrom Limited	7212	Payment for supply of 3 Simmons 2 door fridges and 3 Akita 17lt microwave oven.	2,994.00

The officer responsible for maintaining inventory records was not provided with all the relevant documents from the accounts staffs. As a result the department could face difficulty in identifying its assets should it be stolen, damaged or misplaced.

Recommendations

- **The officer responsible should record assets in the expendable items register as soon as soon they are received.**
- **The accountant should ensure that all relevant information is provided to the officer responsible for updating the inventory register.**

Management Comments

Inventory

As already explained to the auditor on the day of audit and as mentioned in the audit query the inventories register is only updated upon production of documents in the form of invoices or copy of POs stating that the item/asset has been purchased and taken on board by relevant officer. I as responsible officer for the inventories cannot go ahead with updating the register without sighting the relevant documents. It was noted that those assets that were taken on board and taken on charge were the only ones that was provided to the inventories officer either by accounts or directly by the person doing the purchase. Those that missed out were the ones which copies of invoices not reaching the inventories officer, thus the delay in updating the register.

Solution:

Now the SCO-Admin will have to work with accounts to dig out all purchases for 2008 and update the register to take the assets on charge. All purchasing officers in future should be advised to bring a copy of the invoice to the inventories officer to avoid this delay. Also an arrangement could be made if the inventories register be handled by accounts section as done in many ministries and Departments as they are the ones doing the most purchases and they are aware of the purchases done at any instance and they can straight away enter into the inventories register as soon as they receive the purchased invoice/receipt.*

Appendix 15.1: Statement of Output Costs**Policy and Administration 2008**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	231,506	252,049
Unestablished Staff	96,551	67,201
Travel & Communication	68,797	67,543
Maintenance & Operations	87,279	123,044
Purchase of Goods & Services	31,553	46,400
Operating Grants & Transfers	1,426,939	1,017,858
Special Expenditure	195,105	121,710
Total Operating Costs	2,137,730	1,695,805
Value Added Tax	56,336	82,923
TOTAL EXPENDITURE	2,194,066	1,778,728

Film and Television Unit 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	203,942	235,937
Unestablished Staff	45,336	36,206
Travel & Communication	20,216	17,072
Maintenance & Operations	31,950	16,553
Purchase of Goods & Services	106,294	40,387
Total Operating Costs	407,738	346,155
Value Added Tax	19,500	24,277
TOTAL EXPENDITURE	427,238	370,432

News and Publications 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	384,036	370,414
Unestablished Staff	0	0
Travel & Communication	40,528	25,033
Maintenance & Operations	4,913	5,092
Purchase of Goods & Services	119,401	72,873
Special Expenditure	2,770	587
Total Operating Costs	551,648	473,999
Value Added Tax	23,717	27,362
TOTAL EXPENDITURE	575,365	501,361

National Archives 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	211,435	232,467
Unestablished Staff	19,884	17,752
Travel & Communication	5,558	4,634
Maintenance & Operations	29,841	44,377
Purchase of Goods & Services	33,319	36,522
Operating Grants & Transfers	680	700
Total Operating Costs	300,717	336,452
Capital Expenditure		
Capital Construction	776,071	1,688,406
Capital Purchase	19,070	0
Total Capital Expenditure	795,141	1,688,406
Value Added Tax	106,266	238,217
TOTAL EXPENDITURE	1,202,124	2,263,075

Appendix 15.2: FNPF Reconciliation

(a) Total FNPF against salaries and wages for 2008			
			\$
	FNPF as per the financial statement		96,658
<i>Add:</i>	December 2008 FNPF paid in January 2009		10,428
			107,086
<i>Less:</i>	December 2007 FNPF paid in January 2008		9,201
	FNPF Payments for 2008		97,885
	Gross pay subject to FNPF (\$97,885 divide by 0.08)		1,223,563
(b) Salaries and wages for 2008 subject to FNPF:			
	Salaries, wages and allowance as per financial statement		1,215,253
<i>Less:</i>	Salaries, allowance and wages not subject to FNPF.		<u>2,842</u>
			1,212,411
	Variance		11,152

Section 16 **Fiji Military Forces**

Role and Responsibilities

Under Republic of Fiji Military Forces Act CAP 81, the RFMF is charged with, and responsible for the defence and state security of Fiji in the maintenance of Law and Order in land and sea, in support of the Police, Maritime Surveillance of Fiji's Maritime Zone and relevant departments. It also provides forces to international peacekeeping operations in line with Government foreign policy on world peace, troops with engineering expertise for nation building, in the area of rural infrastructure development and youth training for life skills. In relation to these tasks, the following deliverables or responsibilities are undertaken in the following budgeted activities:

Policy & Administration

- Strategic Analysis and Policy Advice to Commander RFMF.
- Strengthen defence co-operation with other forces.

Logistic Support Unit

- Purchase of Stores & Supplies
- Provide medical and maintenance services

3 FIR

- Regular Infantry training and exercise
- Assistance to Police Team
- Security Role
- Disaster Response

FMF Engineers

- RFMF Youth Trade Training
- Infantry Battalion Converts

FMF Naval Division

- Law Enforcement at Sea
- Search and Rescue Service
- Underwater Explosive Ordinance Disposal.

Territorial Forces

- Support Service to Infantry Battalion & Peacekeeping Operations Overseas.

Iraq Mission

- Deployment of troops to the United Nations Assistance Mission Iraq.

Peacekeeping Force, Sinai

- Provision of Peacekeeping troops to MFO

Force Training Group

- Training of New Recruits
- Promotions Training
- Overseas deployment training

Land Force Command

- General Administration and Operation of Land Forces

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FINANCIAL STATEMENT

16.1 Audit Opinion

The audit of the 2008 accounts of the Fiji Military Force resulted in the issue of a qualified audit report.

The qualifications are as follows:

- 1) The amounts in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Force under each output.
- 2) The Force incurred an over-expenditure of \$2,691,923 in 2008.
- 3) The Force has not provided a Trust Fund Account Statement of Receipts and Payments contrary to Finance Instructions 82 (1).The Financial Management Information System shows that the Force as at 31/12/08 had operating trust funds totalling \$225,838.
- 4) There is significant variance in the VAT and FNPF reconciliations when compared to the accounts as at 31/12/08.

16.2 Statement of Receipts and Expenditures

The Fiji Military Forces collected revenue totalling \$606,794 and incurred a total expenditure of \$84,044,973 in 2008. Refer to Table 16.1 for details.

Table 16.1: Statement of Receipts and Expenditures for 2008

Description	2008 \$	2007 \$
RECEIPTS		
State Revenue	91,267	101,207
Agency Revenue	515,527	781,587
TOTAL REVENUE	606,794	882,794
EXPENDITURE		
Operating		
Established Staff	73,813,841	82,623,677
Unestablished Staff	260,018	252,666
Travel & Communication	647,280	1,634,152
Maintenance & Operations	2,810,887	3,744,285
Purchase of Goods & Services	4,279,676	29,943,740
Operating Grants & Transfers	0	0
Special Expenditure	719,116	113,778
Total Operating Expenditure	82,530,818	118,312,298
Capital Expenditure		
Construction	167,997	0
Purchases	373,676	110,291
Grants & Operations	0	0
Total Capital Expenditure	541,673	110,291
Value Added Tax	972,482	7,862,525
TOTAL EXPENDITURE	84,044,973	126,285,114

Revenue decreased by \$276,000 or 31% due to decline in the miscellaneous revenue (recoveries from previous years). The decrease in overall expenditure by \$42,240,141 or 34% was due to the decrease in established staff by \$8,809,836 or 11%, purchase of goods and services by \$25,664,064 or 86% and VAT by \$6,890,043 or 88%.

16.3 Statement of Output Costs

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

16.4 Appropriation Statement

The Fiji Military Force incurred expenditures totalling \$84,044,973 in 2008 against the budget of \$81,353,050 resulting in an over-expenditure of \$2,691,923 or 3%.

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

Table 16.2: Appropriation Statement for 2008

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry-Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	69,999,200	0	69,999,200	73,813,841	0	(3,814,641)
2	Unestablished Staff	196,300	0	196,300	260,018	0	(63,718)
3	Travel & Communication	553,100	170,000	723,100	647,280	0	75,820
4	Maintenance & Operations	2,745,600	193,000	2,938,600	2,810,887	0	127,713
5	Purchase of Goods & Services	4,464,700	(63,000)	4,401,700	4,279,676	0	122,024
7	Special Expenditure	716,500	0	716,500	719,116	0	(2,616)
	Total Operating Costs	78,675,400	300,000	78,975,400	82,530,818	0	(3,555,418)
	Capital Expenditure						
8	Construction	950,000	(450,000)	500,000	167,997	0	332,003
9	Purchases	638,000	0	638,000	373,676	0	264,324
10	Grants & Transfers	0	0	0	0	0	0
	Total Capital Expenditure	1,588,000	(450,000)	1,138,000	541,673	0	596,327
13	Value Added Tax	1,258,400	(18,750)	1,239,650	972,482	0	267,168
	TOTAL EXPENDITURE	81,521,800	(168,750)	81,353,050	84,044,973	0	(2,691,923)

16.5 Statement of Losses

The RFMF did not report any loss of money or fixed assets during the financial year ended 31/12/08.

16.6 Trading and Manufacturing Activity – Profit and Loss Statement

A loss of \$8,323 was recorded in the Trading & Manufacturing account for 2008. Details are provided in Table 16.3.

Table 16.3: Profit and Loss Statement for 2008

Description	2008 (\$)	2007 (\$)
INCOME		
Sales Cash	38,068	158,055
Total Income	38,068	158,055
EXPENSES		
Fuel & Oil	18,539	21,480
Repairs & Maintenance of Fixed Assets	20,856	123,316
Special Fees & Charges	370	220
VAT	6,626	9,183
Total Expenses	46,391	154,199
NET (LOSS)/PROFIT	(8,323)	3,856

AUDIT FINDINGS

16.7 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.¹

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.²

The Fiji Military Forces submitted its Agency Financial Statement for audit on 29/04/09. Audit noted that the Agency Financial Statement submitted by the Force was not prepared in accordance with the requirements of section 82 and Schedule 1 of the Finance Instructions 2005.

The following anomaly was noted:

- The 2008 Budget prescribed six outputs; however, the Force submitted for audit ten Statements of Output Costs which were prepared according to the budget activities. In addition, audit could not substantiate the balances reflected in the Statements of Output Costs as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government.

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 strictly followed in the preparation of the Agency Financial Statements.

Management Comments

- *Recommendations made by the OAG are duly noted.*
- *The existence of 10 activities / cost centres is based on the functional roles of the cost centres which greatly facilitates the coordination and administration of the six outputs. The functional roles are based on doctrinal a concept that guides national defence capabilities, institutional capacity building, operational tasking, career development and procurement of goods and services.*
- *The issue reducing the 10 activities / cost centres to mirror the six outputs will need extensive consultation between the Ministry of Finance and National Planning, the Ministry of Defence, national Security and Immigrations and the Republic of Fiji Military Forces prior to any resolution being reflected in a Defence White Paper.*

¹ Finance Instructions 2005 – 81 (2)

² Finance Instructions 2005 – 81 (3)

16.8 Operating Trust Fund Account

When invoices or claims for payments are received, the payables officer shall record details in an accounts payable ledger. The accounts payable ledger shall record all claims for payment except for procurement of invoices, which shall be recorded in the commitment ledger.³

Within 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Officer shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement. Any errors or misallocations must be immediately adjusted by way of journal vouchers.⁴ The Trust Fund Account should not be overdrawn.⁵

According to Appendix 23B of the Accounts and Finances, the balance of the operating trust fund account as at 31/12/08 was \$225,837.83 in comparison to the Force's record of \$625,804.67 and had a variance of \$399,966.84.

In addition, audit also noted that Employee FNPF Trust Fund account (1-19101-19999-861920) had debit closing balances of \$980,151.89 which indicate that the account was overdrawn.

Failure to reconcile the force reconciliations with the general ledger is a breach of the Finance Instructions.

Recommendations

- **The Accounts Officer should ensure that the Force Trust Fund balances are checked against general ledger balances on a monthly basis to rectify the differences.**
- **Supervisory checks on monthly reconciliations should be improved.**

Management Comments

- *The recommendation has been noted. The final report on the trust fund account as at 31/12/08 was \$625,804.67 as credit balance. We have submitted a request to Ministry of Finance – FMIS Unit to provide RFMF with another report which has a balance of \$225,837.83 only then we can prepare another balanced report on the trust fund and submit to the AG's office.*
- *The debit balance on FNPF Trust fund has been an on going issue. A BOI was conducted on the officers involved and also the FNPF has also indicated that some officers have FNPF balances which have been overpaid over the years. Once the overpayment is refunded to RFMF this will then reduce the debit balance on FNPF trust account*

16.9 Drawings Account

The Accounting Head must make all attempts to issue stop notices for all cheques that have remained unpresented for more than 6 months.⁶ Stale cheques shall be reviewed each month to determine the need for a replacement cheque. Where a replacement cheque is not required, actions should be taken to clear it.⁷

³ Finance Manual-Fiji Military Forces 2005. Section 13.1.1

⁴ Finance Manual-Fiji Military Forces 2005. Section 16.3.3 – 16.3.4

⁵ Office of the Auditor General Trust Fund Guide (5)

⁶ Finance Instructions 2005 40 (2)

⁷ Finance Instructions 2005 40 (3)

Scrutiny of the drawing account reconciliation revealed that numerous cheques issued from January to June 2008, remained outstanding for more than six months. Replacement cheques and stop payment notices to the bank, where payees were untraceable, were not issued.

Unpresented cheques as at 31 December 2008 totalled \$4,519,393.02, of which \$1,067.90 were stale cheques. Refer to the Table 16.4 for examples.

Table 16.4: Stale Cheques

Date	Cheque No.	Amount (\$)
21/05/08	15782	150.00
28/05/08	15959	36.00
05/06/08	16099	71.50
09/06/08	16248	378.00
19/06/08	16357	14.42
19/06/08	16393	267.98
19/06/08	16414	150.00
Total		1,067.90

The Force Accountant has not made any effort to regularise the stale cheque balances.

Recommendation

The Force should take necessary actions to regularize unpresented and stale cheques as outlined in Finance Instruction 40.

Management Comments

- *The recommendation from the OAG has been noted.*
- *Measures have been instituted by HQ RFMF in 2009 to minimise the occurrence of unpresented cheques. These include the conduct of regular review of commitments, lump sum payments of accumulated outstanding commitments, submission of weekly financial transactions and training of key logistics, purchasing and accounting staff.*

16.10 RFA - Miscellaneous

A ledger shall be maintained for advances and revolving fund accounts⁸. 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.⁹

There were variances between the reconciliation and general ledger figures for the revolving fund account (RFA) miscellaneous account as at 31/12/08. Refer to the Table 16.5 for details.

Table 16.5: Variances between Force Records and General Ledger

Accounts Number	Accounts Description	Force Record (\$)	FMIS Records (\$)	Variance (\$)
1-19101-19999-560203	AR Individuals	189,933.42	189,933.42	-
1-19101-19999-569902	Malaya Pension	468,474.40	468,474.40	-

⁸ Finance Manual 2005 16.3.1

⁹ Finance Manual 2005 16.3.3

Accounts Number	Accounts Description	Force Record (\$)	FMIS Records (\$)	Variance (\$)
1-19109-19999-569902	Malaya Pension	-	39.98	(39.98)
1-19101-19999-569903	Malaya Widow Pension	120,352.04	120,352.04	-
1-19101-19999-570301	Advances	(381,859.55)	(381,859.55)	-
1-19101-19999-570302	Dishonoured Cheques	-	1,174.06	(1,174.06)
1-19101-19999-840602	Withholding Tax	-	(4,057.00)	4,057.00
1-19101-19999-850202	GL Deferred Income Open Item		1,806,852.41	(1,806,852.41)
1-19104-19999-850202	GL Deferred Income Open Item		(232,234.79)	232,234.79
1-19105-19999-850202	GL Deferred Income Open Item		(55,531.37)	55,531.37
1-19101-19999-850203	GL Deferred Income Open Item		(6,290.00)	6,290.00
4-19151-19999-560101	AR Govt Depts & Agency		289.34	(289.34)
Total		396,900.31	1,907,142.94	1,510,242.63

The above anomalies imply that the monthly revolving fund reconciliations may not have been thoroughly scrutinised and checked. Also failure to reconcile Force reconciliations with the general ledger is a breach of the Finance Instructions.

Recommendations

- **The Accounts Officer should ensure that the trust fund reconciliations are checked against general ledger balances on a monthly basis to avoid variances between the two ending balances.**
- **Supervisory checks on monthly reconciliations should be improved.**
- **The Force should ensure that in future the accountable advance is cleared within the stipulated timeframe of seven days to avoid accumulation of outstanding advances.**

Management Comments

- *The recommendation has been noted.*
- *The trust fund reconciliations are always checked against the GL report that we received from Finance every month. In this case the variances were due to the adjustments and postings that were done after closing of accounts for 2008 however the variance has been captured in our 2009 reconciliation.*
- *The RFMF will ensure to improve on its internal control measures in order to minimise unnecessary queries.*

16.11 FPNP Reconciliations

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.¹⁰

Where charges are for payments to organisations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organisation, the creditor account shall be debited.¹¹

A reconciliation of FPNP contributions against salaries and wages reported in the Financial Statements revealed variances. Refer to *Appendix 16.2* for details.

¹⁰ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

¹¹ Finance Manual 2005 – RFMF Section 4.7.3

Discussion with the accounts officer established that the Force has been making FNPF contributions payments in advance since the 1990s. However the actual amount of overpayment is yet to be determined. The Force and the FNPF are working to determine the actual amount of overpayment which would be refunded to the Force.

Recommendations

- **The Force should review its payroll and FNPF records and reconciliations and provide explanations for the variances.**
- **Supervisory checks on records pertaining to payroll should be improved and to ensure that the difference is rectified.**

Management Comments

- *The recommendation has been noted.*
- *The RFMF is currently in the process of rectifying the overpayment with FNPF. This explains the variance which has been highlighted in this report and the RFMF will ensure to reconcile the records once the overpayment has been settled*

16.12 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.¹²

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.¹³

Audit noted an un-reconciled balance of \$308,007 between the taxable supplies in the VAT Return and the total income/expenditure in the Statement of Receipts and Expenditure. Refer to *Appendix 16.3* for details:

Recommendations

- **The Accounts Officer should identify the errors and make necessary adjustments to reconcile the records**
- **For any refund the Force must ensure that it is either recovered from FIRCA or offset against any dues.**
- **Supervisory checks should be carried out on the preparation of VAT Returns to ensure the records are correct.**

Management Comments

- *The recommendation has been noted.*
- *The RFMF will ensure to identify the errors and make the necessary adjustments and we are also requesting the assistance from the AG's office to confirm their figures before we reconcile our VAT records.*

¹² Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

¹³ Finance Circular No 9/95

16.13 Excessive Over-Expenditure

No officer may incur expenditure which results in the agency's appropriation being exceeded without the proper authorisation of the Ministry of Finance, pending approval by Parliament.¹⁴

Audit analysis of the Expenditure Statement for the year ended 2008 revealed that the RFMF had excessively over spent its annual budget allocations for established staff, government wage earners and special expenditures. The total over-expenditure for the Force amounted to \$2,691,923.

Discussion held with the Force accountant revealed that the SEG's 1- established staff and SEG 2 – government wage earners vote was overspent due to leave compensation payments and overpaid salary to some officers. Refer to the Table 16.6 for details:

Table 16.6: Overspent Expenditure Votes

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	(Over) / under expenditure (\$)
1	Established Staff	69,999,200	73,813,841	(3,814,641)
2	Unestablished Staff	196,300	260,018	(63,718)
3	Travel & Communication	723,100	647,280	75,820
4	Maintenance & Operations	2,938,600	2,810,887	127,713
5	Purchase of Goods & Services	4,401,700	4,279,676	122,024
7	Special Expenditure	716,500	719,116	(2,616)
	Total Operating Costs	78,975,400	82,530,818	(3,555,418)
	Capital Expenditure			
8	Construction	500,000	167,997	332,003
9	Purchases	638,000	373,676	264,324
10	Grants & Transfers	0	0	0
	Total Capital Expenditure	1,138,000	541,673	596,327
13	Value Added Tax	1,239,650	972,482	267,167
	TOTAL EXPENDITURE	81,353,050	84,044,973	(2,691,923)

Excessive over-expenditures are indication of non adherence and ignorance to standing financial instructions which have been established to control over-expenditures.

Recommendations

- **The senior officers of the RFMF should take active roles in ensuring that the Force operates within its approved budget.**
- **Expenditures should be reviewed against the budget allocation on a monthly basis and reported to management for effective and efficient decision-making.**
- **Control should be put in place to curtail over expenditures.**

Management Comments

- *Recommendations have been noted, and control measures have been enforced with additional checks being instituted.*

¹⁴ Finance Instructions 2005 – Section 8

- *The RFMF 2008 approved established post is 3157 which is not fully reflected in the approved budget for 2008 although submissions have been forwarded to the Budget Division of the Ministry of Finance.*
- *The situation has been remedied in 2009, with increased provision of \$15m for SEG 1 and by the regularisation of and an increase in SEG 2 allocation.*
- *Special Expenditure in SEG 7 included the expenditures related to military funerals which are mandated for the 22 service personnel who died while on active duty. This activity has now been catered for under the allocation of \$80,000 within SEG 4 for Activity 1(HQ LFC) in 2009. In 2010 military funerals and related activities will be catered for under a specific allocation.*

16.14 Trading and Manufacturing Account

16.14.1 Limited Account

Each agency must include a statement of assets and liabilities in its annual financial statements.¹⁵ The entity should exercise proper economy in its commercial activity which results in a profit.

The Force incurred a loss of \$8,323 from the Trading and Manufacturing Account (TMA) for the year ended 31 December 2008. Refer to the Table 16.7 below.

Table 16.7: Loss from TMA Operations

Item	Amount (\$)
Income	38,068
Expenses	46,391
Net Loss	(8,323)

Scrutiny of the Trading and Manufacturing Account revealed that the Force did not provide comparative figures of the items contained in the Profit and Loss Statement and the Balance Sheet.

In the absence of the comparative figures it will be difficult to compare the performance of the TMA operations from previous year.

Moreover the deviating ending balances were reflected in the balance sheet for the Trading and Manufacturing Account. Refer to Table 16.8 for details:

Table 16.8: Deviating Balance Sheet Figures

Item	Amount (\$)
Total Assets	(54.15)
Total Liabilities	54.15
Variance	(108.30)

Unbalanced accounts imply that the Force accountant may lack competency in preparing balance sheet.

¹⁵ Finance Instructions 2005 – Section 82 (1)

Recommendations

- **The Force should investigate the cause of the loss from TMA operations.**
- **The Force should include comparative figures in the Profit and Loss statement & Balance Sheet for the Trading and Manufacturing Account.**

Management Comments

- *RFMF acknowledges the comments made in relation to the conduct of an investigation into the loss from TMA operations. The balance of accounts of the TMA account actually reflects \$50,000 in savings.*
- *The RFMF in its response to Internal Auditors from the MOF requested assistance from the Ministry to facilitate the training of TMA accounts staff and in the reconciliation at the end of the fiscal year.*
- *However it must be noted that the Training & Manufacturing activities generated by the Plant Pool is non-profit activity and to a great extent dictated by nation building initiatives directed by the Office of the Prime Minister.*

16.15 Salary Overpayment

The salary reconciliation must reconcile the difference between the previous fortnight payroll report and the current report, and must be prepared prior to each pay date.¹⁶

The audit noted that the Established and the Unestablished staff allocations were over spent by \$3,878,359. This implies that proper controls were not in place which resulted in over expenditure in SEGs 1 and 2 for the year 2008. Refer to Table 16.9 details of over expenditure.

Table 16.9: Over Expenditure in SEGs 1 and 2

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	(Over) / under expenditure (\$)	Percentage (%)
1	Established Staff	69,999,200	73,813,841	(3,814,641)	5
2	Unestablished Staff	196,300	260,018	(63,718)	32
	Total	70,195,500	74,073,859	3,878,359	6

Over expenditure in salaries and wages has led to exhaustion of funds which could have been controlled and better utilized for urgent and needy causes.

Recommendation

The Force should implement controls to avoid over expenditure in SEGs 1 and 2.

Management Comments

- *The 2% restoration in Pay 12/08 and 1% in Pay 26/08 together with pay level increments during the reporting period was not factored in the above calculations by the OAG.*
- *Additional payments were made in respect of leave due for officers who have retired, were seconded to the Civil Service or discharged from the force. This enabled the discharge of outstanding leave liabilities in a timely manner.*
- *P&E has been under provided over the past years, however this has been addressed in the 2009 budget.*
- *There was no backdating of arrears to justify full payment of basic rate.*

¹⁶ Finance Manual 2005 – Section 4.6.4

16.16 Manual Payments

No manual payment of salary is permitted except on first appointment or upon written approval from the Accounting Head¹⁷.

Subject to the other provisions of the income tax act there shall be assessed, levied and paid a tax to be known as normal tax for each of assessment on ever dollar of chargeable income of (a) an individual whose total income, in the case, exceeds [\$15,001], or any other person, other than a company, in respect of his chargeable income for the year of assessment [but a resident individual shall be exempt from normal tax to the extent that such normal tax, together with [basic tax] would reduce the balance of his total income to [\$15,001] or less in any year]¹⁸.

The audit noted that salaries were paid manually without the prior approval of the Accounting Head and incorrect income tax rates were calculated resulting in less tax deductions and payments to FIRCA. Refer to Table 16.10 for examples.

Table 16.10: Manual Payments and Incorrect Tax Formulae

Pay Period	Reg. Number	Officer	Gross Pay	Tax Rate Applied (%)	PAYE (\$)	Correct Tax Rate (%)	PAYE (\$)	Amount Short Deducted (\$)
15/07/08 – 28/07/08	21504	Penjueli S.Sikuri	10,388.25	15	1,558.24	31	3,220.36	(1,662.12)
16/12/08/- 31/12/08	29193	Aisake Rabuku	4,601.80	8	368.14	31	1,426.56	(1,058.42)
16/12/08/- 31/12/08	30881	Akosita Waqairawai	1,738.86	14	260.82	31	539.05	(278.23)
16/12/08 – 31/12/08	23865	Semi Rogoyawa	3,564.96	15	534.60	31	1,105.14	(570.54)
16/12/08 – 31/12/08	21674	Josefa Drugu	2,079.56	6.4	133.68	31	644.66	(510.98)
16/12/08 – 31/12/08	22669	Laisiasa Vunicagi	1,810.76	7.5	135.80	31	561.34	(425.54)
16/12/08 – 31/12/08	29186	Tomasi Korovakaturaga	1,749.11	9.4	163.74	31	542.22	(378.48)
16/12/08 – 31/12/08	25650	Patrick Kaminieli Sloan	3,550.86	25.49	905.03	31	1,100.77	(195.74)

Manual salary payments increase the risk of miscalculations when compared to computerized payments. The improper tax deduction from salaries indicate the non compliance with the provisions of Income Tax Act and the under payment of tax to FIRCA.

Recommendation

The Force Paymaster should ensure that correct tax rates are applied to all salaries and wages in compliance with the Income Tax Act.

¹⁷ Finance Manual 2005 section 4.5.14

¹⁸ Income Tax Act Cap 201 (Revised to 30 June 2006)

Management Comments

- *Manual payments highlighted were authorized by HQ RFMF. Cases referred to above were for leave due and not taken prior to retirement or discharge from the force. Other cases were for underpayments of promotion arrears.*
- *The tax computations were taken from the FIRCA tax table. Variance for tax during the year is recovered from the individuals at the end of the financial year. Be assured that tax calculated and deducted from pay is in no way tailored to benefit the individuals as the report seemed to imply.*
- *Recommendations for compliance with the Tax Act were noted.*

16.17 Tenders Not Called for Supply of Goods and Services

The Permanent Secretary must obtain at least three written competitive quotes for any procurement of goods, services or works that cost more than \$100 but less than \$20,000.¹⁹

Tenders must be called for procurement of goods, services or works that cost over \$20,000.²⁰

The Force purchased goods and services from suppliers that did not go through the normal tender process and without competitive quotations obtained. Refer to Table 16.11 for details.

Table 16.11: Purchases In Excess Of \$20,000 without Tender

Supplier	Goods /services Obtained	Amount (\$)
Communication Technologies	Payment for equipment	52,843.50
Masi Enterprise	Payment for hire of buses	156,538.13
Singh's Shopping Limited	Payment for general items	66,736.62
Wing Sang Limited	Payment for food items	563,675.44
Mahesh Syndicate	Payment for general items	627,423.49
Auto One Importers and Exporters	Payment for supply of spare payments and servicing vehicles	148,836.09
East Tailors	Payment for supply of garment	72,686.44
Crown Imports	Payment for supply of garments	639,476.32
Omega Computers	Payment for servicing computers	60,877.37
Viti Air-conditioning Limited	Payment for supply, installation and servicing of air conditioners	222,191.26
Kelsten Engineering Limited	Payment for supply of heavy equipment.	54,300.00
Kasabias Brothers	Payment for supply of building materials	50,954.83
Jans Rental Cars Fiji Limited	Payment for hire of vehicles	24,915.00
Office 2000 Limited	Payment for Stationery	36,001.69

Proper procurement procedures should be followed when goods and services are ordered. Failure to do so could result in unauthorized and uneconomical payments.

Recommendation

The Force should comply with provisions on procurement of goods and services as stated in the Finance Manual 2005 and Finance Instructions.

¹⁹ Finance Instructions 2005 12 (1)

²⁰ Finance Instructions 2005 12 (4)

Management Comments

- *The RFMF acknowledges comments made in relation to the Tender Process.*
- *However, payments indicated were made in lump sum to clear long outstanding commitments. This was a result of FMIS guidelines on the expenditure of a maximum of \$30,000.00 a day to meet the cost of goods and services.*
- *There was no bulk buying done at Wing Sang to the limit as shown above, however cheque payment was done also include other payment from the different Purchase*
- *Orders raised to the company with different invoices which has totaled to that sum.*
- *However the reason that there was no Purchase Orders raised for orders stated above was due mainly to the fact that the Purchasing Office was advised by our Accounts, to raise Payment Voucher only for all the services done as the FMIS system was not able to generate any Purchase Orders at the time, therefore all existing PO's and Batching already in-putted into the system were to be cancelled and then manual payments was made to that effect to settle for the vouchers raised as it was the last payment for the year 2008.*
- *Invoices provided by the respective company's to RFMF did not exceed the \$20,000.00 limit as suggested in the Audit report however; the accumulation of unpaid invoices has resulted in the figures as highlighted in the report.*
- *The RFMF has sought the assistance of the Ministry of Finance to resolve this issue and is seeking to prevent a similar exercise in the third quarter of 2009.*

16.18 Non Issuance of Local Purchase Order

A local purchase order or departmental warrant should be issued when procuring any goods, services or works from an organization within Fiji, unless a contract or agreement has been entered into.²¹

A local purchase order should be issued when procuring any goods, services or works from an organization within Fiji, unless a contract or agreement has been entered into.²²

The audit noted that goods and services were purchased without issuing Local Purchase Orders. Refer to Table 16.12 for examples:

Table 16.12: Local Purchases Order Not Issued

Date	Voucher Number	Payee	Particulars	Amount (\$)
09/11/08	57897	Eta Cegaivuna	Payment for waka 40 kg @ \$50.00	2,000.00
04/12/08	57846	Masi Enterprise Mini Bus Services	Payment for transporting senior military officers from QEB to Nadi Airport leaving for Unami Iraq.	562.50
04/12/08	57857	Total (Fiji) Limited	Payment for diesel for duty ship RFNS kula. 32,400 liters @ \$1.6211	52,523.64
05/12/08	57885	Air Pacific Limited	Payment for air ticket	102.00
05/12/08	57846	Naividra Farm	Payment for water melons. 2,423 kg @ \$2.00	4,846.00
05/12/08	57892	Dee Cees Limited	Payment for carrying soldiers along Suva Navua Corridor.	150.00
05/12/08	57891	Dee Cees Limited	Payment for carrying soldiers along Suva Navua Corridor	500.00
05/12/08	57898	Franklin design	Payment for Viti magazine	900.00

²¹ Finance Manual 2005 section 2.5.1

²² Finance Manual 2005 Section 2..5.1

Date	Voucher Number	Payee	Particulars	Amount (\$)
18/12/08	58432	Kelsten Engineering Ltd	Payment for 1 x 4 QP402 Robin Pump	4,500.00
18/12/08		Intouch Net technology	Payment for 3 x Acer veriton S460 small factor computers.3 x \$1,850.00	5,550.00
18/12/08	20383	Viti Air Conditioning works	Payment for services rendered.	3,830.00
	20384			2,300.00
	20385			6,780.00
	20386			6,440.00
	20387			6,880.00
18/12/08	58427,58428	Office 2000 Limited	Payment for hire of Toshiba copiers.	1,120.08
31/12/08	61156 – 61159, 61161,61163 61165, 61167-61169	Joe's farm	Payment for food items	3,807.04
31/12/08	61304,61305,61307,61309,6 1311,61314-61317	Joe's farm	Payment for food items	6,356.86
31/12/08	61319-61321,61324,61326,- 61328,61330,61332,61334,6 1336	Joe's farm	Payment for food items	6,017.62
31/12/08	61452,61454,61457,61458,6 1460,61462,61464,61466,61 468,61470	Joe's farm	Payment for food items	8,117.19
31/12/08		Wing Sang Company Limited	Payment for food items	9,202.56
31/12/08		Wing Sang Company Limited	Payment for food items	9,617.47
31/12/08	61098,61127,61131,61132,6 1135,61137	Joe's Farm	Payment for food items	14,860.00
31/12/08	61098,61127,61131,61132,6 1135,61137	Joe's Farm Produce	Payment for food items	14,860.00
31/12/08	61748, 61749	Vuniyayama's Root crop supplies	Payment for cassava for Nadi camp.	400.00
31/12/08	58614	Vuniyayama's Root crop supplies	Payment for cassava for Nadi camp.	1,200.00
31/12/08	61675 to 61681	Tebara Meats	Payment for dry goods (meat).	8,285.54
31/12/08	61682 to 61689	Tebara Meats	Payment for dry goods (meat).	3,121.19

Moreover audit noted that the Force issued Local Purchase Orders after services were rendered and invoices received. Refer to the Table 16.13 for examples.

Table 16.13: Local Purchase Order Issued After Receipt of Invoices

Date	Voucher Number	Payee	Invoice Date	Purchase Order Date	Particulars	Amount (\$)
03/11/08	50034	Budget Rental	09/06/08	30/09/08	Payment for renting vehicle from 09/06/08 to 30/06/08.	3,082.50
27/10/08	51678	Singh Shopping Limited	01/04/08	12/09/08	Payment for various items	285.00
31/12/08	59912	Motor Parts Traders	28/11/08	05/12/08	Payment for repair of vehicle registration number GL865.Details of repair work done was not attached.	4,860.00
31/12/08	58400	Jans Rental Cars (Fiji)	30/06/08	10/12/08	Payment for rental of M2 Tribute LR1804 from 31/05/08 to 30/06/08	2,850.00

Date	Voucher Number	Payee	Invoice Date	Purchase Order Date	Particulars	Amount (\$)
		Limited	31/05/08	10/12/08	Payment for rental 4 x tribute LR1804 from 01/05/08 to 31/05/08	2,850.00
			30/04/08	10/12/08	Payment for rental of T/C B2500 LR887 from 26/03/08 to 20/04/08	2,745.00
			28/02/08	10/12/08	Payment for rental of T/C B2500 LR887 from 25/01/08 to 25/02/08	2,745.00
05/12/08	57893	Dee Cees Limited	6321	22/10/08	Payment for transporting officers.	1,850.00
	57894		6318			
	57895		6310			

The Force Accountant has failed to exercise due care in making the above purchases by not adhering to the laid down procedures. The issue was reported previously, however, no corrective measure was undertaken by the Force to improve on the situation. Purchases done without local purchase orders may result in unauthorized expenditure incurring additional cost to the Force.

Recommendation

The Force should ensure that Local Purchase Orders are issued prior to procuring goods and services by complying with Finance manual 2005.

Management Comments

- *The RFMF acknowledges the recommendations made above and respective purchasing officers have been advised to ensure that such practice is not repeated, however the RFMF was left with no other option during the last quarter of 2008 as the FMIS system was not able generate any Purchasing Order and all purchase was generated manually through the use of invoices and payment vouchers.*
- *In addition, the VAT allocation for RFMF in that financial year had been exhausted. A DW of \$1.3 m was only received in December 2008 and that enabled the regularization of the purchasing process as mentioned above.*

16.19 Local Purchase Orders Approved In Excess of Delegated Authority

An LPO must be signed by two officers; the officer preparing it and an officer with the necessary procurement authority.²³ The following officers are delegated authority to procure goods, services and works up to the following limits specified.

Officer	Amount (\$)
Commander	20,000
Chief of Staff HQ RFMF	15,000
Directors, CSO Fin	10,000
Cost Centre Managers	3,000
Deputy Cost Centre Managers	1,000 ²⁴

The officer authorizing a purchase order must ensure that a purchase is not artificially split to bring it within the limits above.²⁵

²³ Finance Manual 2005 – Section 2.5.9

²⁴ Finance Manual 2005 Section 2.2.1

²⁵ Finance Manual 2005 – Section 2.2.2

Audit noted that the Force's Director Finance approved an LPO in excess of his delegated authority. Also the Force Accountant issued LPO's which she was not entitled to do so. Refer to the Table 16.14 for details:

Table 16.14: LPO's approved In Excess of Delegated Authority

Signatory	Rank	Head-Prog-Act-LPO Number	Approved Limit (\$)	Amount Approved(\$)	Excess of Authorized Limit (\$)
Serevi Vananalagi	Director Finance	19-1-05-001775	10,000.00	99,820.00	89,820.00
Unauthorized Officers signing LPO's by A/PAO					
K.Senimoli	Acting Principal Accounts Officer	19-1-05-000764	0	3,675.38	(3,675.68)
K.Senimoli	Acting Principal Accounts Officer	19-1-04-000263	0	6,215.64	(6,215.64)
K.Senimoli	Acting Principal Accounts Officer	19-1-04-000478	0	2,638.13	(2,638.13)

Moreover, the Force Accountant issued more than one local purchase at one time in order to purchase goods and services from the same suppliers. The orders were split to accommodate payments. Refer to the Table 16.15 below for examples:

Table 16.15: Splitting of Local Purchases Order

Date	Voucher Number	Purchase Order Date	Purchase Order Number	Payee	Particulars	Amount (\$)	Total Amount (\$)
22/08/08	44862	14/05/08	19102-003652	Tebara Meats	Payment for dry goods	419.30	2,291.75
	44860	14/05/08	19102-003661			824.75	
	44865	06/05/08	19102-003560			1,047.70	
13/06/08	36062	23/05/08	19102-003759	Wing Sang Company Limited	Payment for food items	1,349.19	5,680.63
	36063	23/05/08	19102-003760			1,874.81	
	36064	23/05/08	19102-003761			1,848.15	
	36065	23/05/08	19102-003763			758.39	
25/06/08	32930	21/06/08	19108-000296	Albrecht A Stuetzle	Payment for refurbishment of sword/bayonet/pistol/cell/plaque	1,541.25	2,936.25
	32929	21/06/08	19108-000295			1,395.00	

Levels of authority on local purchase orders exist to ensure adequate controls are exercised over purchases. Failure to comply with the delegated authority has led to the orders being authorized by the officer(s) in excess of the approved procurement limits.

Recommendations

- **Standing Government procedures for procurement of goods and services should be strictly complied with to ensure proper management of public funds and prevent abuse.**
- **The Force should ensure that LPO(s) are approved within the respective Officer's authorized limit.**
- **The Force should amend its Finance Manual to allow the Staff Officer Finance to sign the LPO's.**
- **Goods and Services over \$20,000 should be purchased with the authority of the Major Tender Board.**

Management Comments

- *The recommendation has been noted and the RFMF has put into practise control measures such as verification of LPRs and LPOs prior to approval by Authorising Officer, and the centralisation of all purchasing at HQ RFMF in October 2009.*
- *The RFMF officers who are authorised to approve PO cannot authorise a PO in excess of his / her authority unless they have received prior approval from the Ministry of Finance – FMIS Unit e.g. Black Rock Project.*
- *Any amendment to PO approvers is only approved by the FMIS Unit.*

APPENDIX 16.1: Statement of Output Costs**Statement of Output Costs for 2008 – Policy and Administration**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	7,063,636	7,060,446
Unestablished Staff	0	0
Travel & Communication	79,589	328,862
Maintenance & Operations	117,465	225,426
Purchase of Goods & Services	85,451	77,112
Operating Grants & Transfers	0	0
Special Expenditure	81,952	75,103
Total Operating Costs	7,428,093	7,766,949
Capital Costs		
Construction	167,997	0
Purchases	244,264	80,749
Grants & Transfers	0	0
Total Capital Costs	412,261	80,749
Value Added Tax	107,113	858,192
TOTAL COSTS	7,947,467	8,705,890

Statement of Output Costs For 2008 – Logistic Support Unit

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	5,950,056	5,742,305
Unestablished Staff	0	0
Travel & Communications	0	0
Maintenance & Operations	562,785	1,102,360
Purchase of Goods & Services	2,714,816	27,617,056
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	9,227,657	34,461,721
Value Added Tax	357,976	2,379,371
TOTAL COSTS	9,585,633	36,841,092

Statement of Output Costs for 2008 – 3 Fir

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	7,552,265	11,621,031
Unestablished Staff	0	0
Travel & Communication	12,270	6,616
Maintenance & Operations	2,048	0
Purchase of Goods & Services	105,018	211,438
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	7,671,601	11,839,085
Capital Costs		
Construction	0	0
Purchases	64,496	24,746
Grants & Transfers	0	0
Total Capital Costs	64,496	24,746
Value Added Tax	10,571	252,770
TOTAL COSTS	7,746,668	12,116,601

Statement of Output Costs for 2008 – FMF Engineers

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	6,543,673	7,053,756
Unestablished Staff	0	0
Travel & Communication	13,341	16,293
Maintenance & Operations	391,108	386,300
Purchase of Goods & Services	116,392	127,365
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	7,064,514	7,583,714
Value Added Tax	44,914	705,448
TOTAL COSTS	7,109,428	8,289,162

Statement of Output Costs for 2008 – FMF Naval Division

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	5,008,085	4,955,237
Unestablished Staff	0	0
Travel & Communication	70,059	185,243
Maintenance & Operations	1,141,104	1,197,905
Purchase of Goods & Services	529,808	599,815
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	6,749,056	6,938,200
Capital Costs		
Construction	0	0
Purchases	64,915	4,796
Grants & Transfers	0	0
Total Capital Costs	64,915	4,796
Value Added Tax	224,897	814,575
TOTAL COSTS	7,038,868	7,757,571

Statement of Output Costs for 2008 – Territorial Forces

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	4,483,342	11,689,463
Unestablished Staff	0	0
Travel & Communication	7,239	9,434
Maintenance & Operations	9,382	10,276
Purchase of Goods & Services	19,971	700,796
Operating Grants & Transfers	0	0
Special Expenditure	569,104	38,674
Total Operating Costs	5,089,038	12,448,643
Value Added Tax	65,140	800,705
TOTAL COSTS	5,154,178	13,249,348

Statement of Output Costs for 2008 – Iraq Mission

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	16,998,186	14,241,838
Unestablished Staff	0	0
Travel & Communication	31,553	0
Maintenance & Operations	37,698	0
Purchase of Goods & Services	351,342	0
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	17,418,779	14,241,838
Value Added Tax	31,775	627,976
TOTAL COSTS	17,450,554	14,869,814

Statement of Output Costs for 2008 – Peace Keeping Force, Sinai

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	17,102,981	14,139,829
Unestablished Staff	0	0
Travel & Communication	34,190	38,797
Maintenance & Operations	35,227	32,289
Purchase of Goods & Services	223,503	392,699
Operating Grants & Transfers	0	0
Special Expenditure	68,059	0
Total Operating Costs	17,463,960	14,603,614
Value Added Tax	40,620	770,109
TOTAL COSTS	17,504,580	15,373,723

Statement of Output Costs for 2008 – Force Training Group

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	2,152,992	1,882,319
Unestablished Staff	0	0
Travel & Communication	44,620	140,008
Maintenance & Operations	88,097	131,380
Purchase of Goods & Services	54,914	70,087
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	2,340,623	2,223,794
Value Added Tax	7,398	176,692
TOTAL COSTS	2,348,021	2,400,486

Statement of Output Costs for 2008 – Land Force Command

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	958,625	4,237,454
Unestablished Staff	260,018	252,666
Travel & Communication	354,420	908,901
Maintenance & Operations	425,973	658,351
Purchase of Goods & Services	78,461	147,378
Operating Grants & Transfers	0	0
Special Expenditure	0	0
Total Operating Costs	2,077,497	6,204,750
Value Added Tax	82,079	476,687
TOTAL COSTS	2,159,576	6,681,437

APPENDIX 16.2: FNPF Reconciliation

Details	(\$)
FNPF as per financial statement	4,334,122
Less: FNPF for December 2007 paid in 2008	-
	4,334,122
Add: FNPF for December 2008 paid in 2009	-
	4,334,122
Gross Pay subject to FNPF (4,334,122 divided by 0.08)	54,176,525
(b) Salaries and wages for 2008 subject to FNPF	
Salaries, wages and allowances as per financial statement	69,729,737
Less: Salaries and wages not subject to FNPF	3,281,056

Details	(\$)
	66,448,681
Un-reconciled Variance	12,272,156

APPENDIX 16.3: VAT Reconciliation

Details	(\$)
Total Income/expenditure as per Expenditure Statement	84,044,973
Less Expenditure not subject to VAT - Total SEG 1 & 2	74,073,859
	9,971,114
Total Taxable Supplies as per VAT returns	26,466,622
Less 2007 December VAT	17,867,856
	8,598,766
Add 2008 December VAT	1,064,341
	9,663,107
Difference	308,007
Audit also noted variances between the actual VAT payments for 2008 and the balances disclosed in the general ledger (FMIS) as follows:	
Refer to Table 16.7 for details.	
VAT payments (VAT payments to FIRCA and VAT input) as per Statement of Financial Operation	972,482
VAT payments (VAT payments to FIRCA and VAT input) as per VAT returns for the year 2008	2,940,736
Less: 2007 December Vat	(1,985,317)
Add : 2008 December Vat	118,260
	1,073,679
Difference	(101,197)

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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FINANCIAL STATEMENT

17.1 Audit Opinion

The audit of the 2008 accounts of the Fiji Police Force resulted in the issue of a qualified audit report.

The qualifications are as follows.

- The amounts in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government.
- The Force has not provided the following contrary to Finance Instructions 82 (1)
 - Statement of Losses and
 - Trust Account Statement of Receipts and Payments. The Financial Management Information System shows that the Force as at 31/12/08 has operating trust funds totalling \$2,330,079.
- The payments of FNPF contributions and VAT could not be reconciled to the accounts.
- The Fiji Police Force had a manual payment of \$739,977 which was not updated in the FMIS for 2008.
- The Force incurred an over expenditure of \$7,956,405 in 2008.

17.2 Statement of Receipts and Expenditure

The Force collected revenue totalling \$2,402,680 and incurred total expenditures of \$80,772,472 in 2008.

Table 17.1: Statement of Receipts and Expenditure for 2008

Description	2008 \$	2007 \$
RECEIPTS		
Police Clearance Fees	646,668	576,047
Licenses Fees	43,575	34,484
Other State Revenue	(131,591)	76,389

Description	2008 \$	2007 \$
Other Agency Revenue	1,844,028	18,849
TOTAL REVENUE	2,402,680	705,769
EXPENDITURE		
Operating Expenditure		
Established Staff	62,367,530	57,333,697
Unestablished Staff	683,447	903,893
Travel & Communication	3,559,246	3,660,283
Maintenance & Operations	6,177,814	3,657,981
Purchase of Goods & Services	2,064,126	1,800,405
Operating Grants & Transfers	19,999	19,957
Special Expenditure	827,603	504,383
Total Operating Expenditure	75,699,765	67,880,599
Capital Expenditure		
Capital Construction	804,008	188,437
Capital Purchases	2,368,637	119,802
Total Capital Expenditure	3,172,645	308,239
Value Added Tax	1,900,062	5,400,956
TOTAL EXPENDITURE	80,772,472	73,589,794

The revenue collection increased by \$1,696,911 or 240% in 2008 due to increase in miscellaneous revenue (recoveries from previous year). The expenditure also increased by \$7,182,678 or 10% from \$73,589,794 to \$80,772,472 in 2008 as a result of increase in established staff by \$5,033,833 or 9%, maintenance and operations by \$2,519,833 or 69%, purchase of goods and services by \$263,721 or 15% and capital expenditure by \$2,864,406 or 929%.

17.3 Statement of Output Costs

The Statement of Output Costs consolidates the 6 outputs prescribed in the Budget Estimates, contrary to the requirements of the Finance Instructions. These are detailed in Appendix 17.1

17.4 Appropriation Statement

The Force incurred expenditures totalling \$80,772,472 in 2008 against the budget of \$72,816,067 resulting in an over-expenditure of \$7,956,405 or 11%.

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

Table 17.2: Appropriation Statement for 2008

SEG	Item	Budget Estimate \$	Changes (Note 4) \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
	Operating Expenditure						
1	Established Staff	53,655,400	0	53,655,400	62,367,530	0	(8,712,130)
2	Unestablished Staff	899,500	0	899,500	683,447	0	216,053
3	Travel & Communication	3,607,600	0	3,607,600	3,559,246	0	48,354
4	Maintenance & Operations	4,344,000	1,964,220	6,308,220	6,177,814	0	130,406
5	Purchase of Goods & Services	2,119,100	(20,000)	2,099,100	2,064,126	0	34,974
6	Operating Grants & Transfers	20,000	0	20,000	19,999	0	1
7	Special Expenditure	760,000	87,395	847,395	827,603	0	19,792
	Total Operating Costs	65,405,600	2,031,615	67,437,215	75,699,765	0	(8,262,550)
	Capital Expenditure						
8	Capital Construction	1,000,000	(71,684)	928,316	804,008	0	124,308
9	Capital Purchases	2,352,000	71,684	2,423,684	2,368,637		55,047
	Total Capital Expenditure	3,352,000	0	3,352,000	3,172,645	0	179,355
13	Value Added Tax	1,772,900	253,952	2,026,852	1,900,062	0	126,790
	TOTAL EXPENDITURE	70,530,500	2,285,567	72,816,067	80,772,472	0	(7,956,405)

The Ministry of Finance approved the transfer of funds totalling \$91,684 during the year. Also in accordance to the Cabinet Decision 414/2008 an additional sum of \$2,285,567 was redeployed into Fiji Police Force budget.

17.5 Statement of Losses

The Force did not report any loss of inventories, fixed assets or money during the year.

AUDIT FINDINGS

17.6 Agency Financial Statements

Commencing 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 an audit opinion prepared by the Auditor General.¹

The Fiji Police Force submitted its Agency Financial Statements for audit on 15/05/09. Financial statements submitted by the Force were not prepared in accordance with the requirements of Section 82 and Schedule 1 of the Finance Instructions 2005. The following anomalies were noted:

- The 2008 Budget prescribed eight outputs; however, the Force only submitted Six Statements which were prepared according to the budget activities. The balances reflected in the Statements of Output Costs could not be substantiated as the facility to allow the measurement and accounting of these

¹ Finance Instructions 2005 – 81(2)

costs has yet to be integrated in the Financial Management Information System (FMIS) of government.

- The Force failed to prepare and submit the Statement of Losses and Trust Fund Statement of Receipts and Payments. The Financial Management Information System shows that the Force as at 31/12/08 has trust funds totalling \$2,330,079.

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

Recommendation

The Force should ensure that the requirements of the Finance Instructions 81 are strictly followed in the preparation of the Agency Financial Statements.

Management Comments

Comments not received.

17.7 Revenue Reconciliations

Within five working days of the Ministry of Finance issuing the monthly General Ledger Reports, the Assistant Accounts Officer Ledgers shall reconcile the revenue figures in the report to the Revenue Statement. Where errors or discrepancies occur, the Force Accountant shall inform the Chief Accountant in writing within seven days of receiving the general ledger reports.²

If a replacement cheque is not required, the Force Accountant shall clear the stale cheque using the following adjusting entries:

DR Drawings Account (or Bank ledger account)
 CR Expenditure Account

(To clear cheques issued in the current year that have become stale)³

The revenue figures in the financial statements were derived from the FMIS records. The verification of the Force records with the FMIS system revealed a variance of \$1,611,497. Refer to the table below for details:

Table 17.3: Unreconciled Revenue

General Ledger FMIS (\$)	Force Register (\$)	Variance (\$)
2,402,680	791,183	1,611,497

In addition audit noted misposting amounting to \$217,976 in the FMIS system and it remained unadjusted despite audit reminders.⁴

² Fiji Police Force -Finance Manual 2005 -Section 5.5.12 & 5.5.14

³ Fiji Police Force- Finance Manual 2005-Section 7.5.2 & 7.5.3

⁴ 20/07/09

Table 17.4: Details of Mispostings

Revenue Description	Amount (\$)
Income tax provisional	38,704.83
Income tax PAYE	179,271.72
Total	217,976.55

Further more the stale cheques for the months of February to April 2008 amounting to \$1,427,454 were wrongfully accounted as revenue by the Force.

The Force was reminded during the audit to take necessary steps to adjust and rectify the situation but to no avail.⁵ The failure of the Force to correct the misposting of revenue will affect its revenue position as at 31/12/08.

The Force failed to provide explanation on the variances noted from the Force records against balances provided in the general ledger (FMIS). The above anomalies indicate that the checks carried out by the Force are inadequate and ineffective.

Recommendations

- **The monthly revenue reconciliations should reconcile with the FMIS-General Ledger.**
- **All the revenue reconciliations should be checked by the Supervising Officer.**

Management Comments

Comments not received.

17.8 Expenditure Anomalies

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.⁶

Audit analysis of the expenditures for 2008 indicated that the Force had incurred over-expenditures under SEG1 Established Staffs allocation by \$8,712,130 and failed to seek necessary approval from Ministry of Finance to regularise the over expenditure.

In addition, negative expenditure amounting to (\$1,188) in Maintenance and Operations allocation (Criminal Investigations) remained unadjusted despite several audit reminders.

The failure to abide to the instructions laid down in the Finance Manual could result into uneconomical use of the public funds. Excessive expenditures are a clear indication of inadequate supervisory checks and ignorance of standing financial instructions.

⁵ 03/05/09

⁶ Fiji Police Force- Finance Manual 2005-Section 2.1.2

Recommendations

- **It is recommended that the Force take active roles in ensuring that they operate within the approved budget.**
- **Expenditures should be reviewed against the budget allocation on a monthly basis and reported to management for effective and efficient decision-making.**
- **The Force should seek Ministry of Finance approvals if additional funds are required.**

Management Comments

Comments not received.

17.9 Arrears of Revenue

Accounts which are over due must be promptly followed in accordance with the debt recovery procedures in the Finance Manual⁷. The Force Accountant must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, the following actions shall be taken

- i) a demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than one month;
- ii) If the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.⁸

The arrears position of the Force when compared to 2007 has increased by 154% from \$8,137 to \$20,633 in 2008. Delays in collection of revenue increase the likelihood of write-offs thus depriving the government of potential revenue.

Recommendation

The Force should strongly adhere to standing procedures pertaining to collection of fees.

Management Comments

Comments not received.

17.10 Operating Trust Fund Account

Within five days after the end of each month, the Assistant Accounts Officer Ledgers shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.⁹ The Trust Fund should not be overdrawn.¹⁰

The Operating Trust Fund Account closing balance as at 31/12/08 in the Force records did not reconcile with the Financial Management Information System. A difference of \$34,021 was noted between the two records. Refer to the table below for details:

⁷ Finance Instruction Section 48

⁸ Fiji Police Force- Finance Manual 2005 - Section 9.2.1

⁹ Finance Manual – Fiji Police Force 2005 – Section 15.4.1

¹⁰ Office of the Auditor General Trust Fund Guide Section (5)

Table 17.5: Unreconciled Trust Fund Account

Details	Balances as at 31/12/08 \$
Appendix	2,330,079.33
Force	2,296,058.22
Variance	34,021.11

In addition audit noted an unexplained debit (overdrawn) balances as at 31/12/08 amounting to \$97,411. The details are as follows:

Table 17.6: Details of Overdrawn Trust Account Balance

Account ID	Description	Amount \$
12010120101899988	Miscellaneous Fund	97,411.39

Furthermore the Force was holding onto a significant amount of the funds in Trust Fund Account as at 31/12/08. The details are as follows:

Table 17.7: Details of Significant Trust Account Balance

Details	Account No	Balances \$	Remarks
501 P D Employees FNPF	1-20101-20101-861920	1,921,639.40	<ul style="list-style-type: none"> The fund balance has increased from \$1,293,525.79 to \$1,921,639.40 in 2008 or by 49%. The Breakdown details were not provided for audit verification. The majority of the fund balance has been carried over from 2005
201 Pd Tax Arrears / PAYE	1-20101-20999-861901	112,497.55	<ul style="list-style-type: none"> The Breakdown details were not provided for audit verification. The balance has been carried over since 2007.
307 Pd Police Service Credit Union	1-20101-20101-861517	697,241.38	<ul style="list-style-type: none"> The Breakdown details were not provided for audit verification. The fund balance has increased from \$547,729 to \$697,241 in 2008 or by 27%.

In the absence of the proper records it is difficult to authenticate the accuracy of the balances of the Trust Account as stated in FMIS.

Recommendations

- **The Force should ensure that monthly reconciliations are carried out properly and accurately.**
- **Supervisory checks in the Accounts Sections should be strengthened and improved.**

Management Comments*Comments not received.***17.11 Revolving Fund Account - Miscellaneous**

A ledger shall be maintained for advances and revolving fund accounts¹¹. 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.¹²

The Revolving Fund Account –Miscellaneous closing balance as at 31/12/08 in the Force records did not reconcile with the Financial Management Information System records. A difference of \$23,757 was noted between the two records due to lack of proper monthly reconciliation. Refer to the table below for details:

Table 17.8: Unreconciled Revolving Fund Account

Details	Balance as at 31/12/08 \$
Appendix	501,506.13
Force	525,263.46
Variance	(23,757.33)

In addition we noted an unexplained credit (overdrawn) balances as at 31/12/08 amounting to \$53,848. The details are as follows:

Table 17.9: Details of Overdrawn Revolving Fund Account

Code	Accounts Description	Amount \$	Remarks
12010120999570301	Accountable	53,847.99	<ul style="list-style-type: none"> • The balance has been carried forward from 2006 • The breakdown details were not provided.

Furthermore, the Force was holding onto a significant amount of the funds in Revolving Fund Accounts as at 31/12/08. The details are as follows:

Table 17.10: Details of Outstanding Balance

Details	Account No	Balances \$	Remarks
Advances	1-20101-20999-570101	143,864.60	<ul style="list-style-type: none"> • The fund balance has increased from \$40,343.95 to \$143,864.60 in 2008 or by 257%. • The breakdown details were not provided for audit verification.
Surcharges	1-20101-20101-570304	374,876.80	<ul style="list-style-type: none"> • The majority of the fund balance has been carried over from 2004 and 2005 • The breakdown details were not provided for audit

¹¹ Finance Manual 2005 Section 16.3.1¹² Finance Manual 2005 Section 16.3.3

Details	Account No	Balances \$	Remarks
			verification.

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

Recommendations

- The Force should make concerted efforts to clear the long outstanding and overdrawn balances to avoid their accumulation.
- The Force should ensure that in future the accountable advance is cleared within the stipulated timeframe of seven days to avoid accumulation of outstanding advances.
- The Force should ensure that the monthly reconciliation is prepared in accordance with the requirement of the Finance Manual and any differences are adjusted accordingly.

Management Comments

Comments not received.

17.12 Drawings Account

The Assistant Accounts Officer (Ledgers) shall prepare bank reconciliation within 5 days of the end of month.¹³

Audit noted that the Drawings Account closing balance as at 31/12/08 as per Force record did not reconcile with the Financial Management Information System records. Refer to the table below for details:

Table 17.11: Unreconciled Drawings

Details	Balances As at 31/12/08 \$
MOF Appendix	8,477,570
Force	(2,791,650)
Variance	11,269,220

In addition the Force drawings amount reflected in the General Ledger (FMIS) has a significant debit balance. No satisfactory explanation was provided by the Force. The above issue has been highlighted in previous years' reports but the Force has failed to comply with the recommendations provided by the audit office.

The above imply lack of regular reconciliations and inadequate supervisory checks.

Recommendations

- Reconciliation must be prepared on a timely basis and any errors detected adjusted immediately.

¹³ Finance Manual-Fiji Police Force - Section 7.4.7

- **Supervisory checks on the reconciliations should be improved to ensure the accuracy of the balances in the reconciliation.**
- **Officers failing to carry out their responsibilities in ensuring that records are updated and accurate reconciliations prepared on time should be disciplined accordingly.**

Management Comments

Comments not received.

17.13 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.¹⁴

A reconciliation of FNPf contributions against salaries and wages reported in the Financial Statements revealed variances. Refer to *Appendix 17.2*

The actual expenditure subject to FNPf does not correspond with the expenditure on which FNPf has been paid and difference was noted. There could be a possibility that the FNPf could have been under or overpaid.

In addition audit was not provided with details of the officers who are above the age of fifty five and who were non members of the FNPf. The above anomalies could have been avoided had the Force been more vigilant and proper controls were in place.

Recommendation

The Force should review its FNPf records and reconciliations and provide explanation for the variances.

Management Comments

Comments not received.

17.14 VAT Reconciliations

Every registered person who supplies in Fiji goods and services shall keep sufficient records in the English language to enable ready ascertainment by the Commissioner or any officer authorised by him, of that person's liability to tax and shall retain all such records for a period of at least seven years after the end of the taxable period to which they relate. Records include books of account (whether contained in manual, mechanical, electronic format, or microfilm) recording receipts or payments or income or expenditure, and also includes vouchers, bank statements, invoices, tax invoices, credit notes, debit notes, receipts and such other documents as are necessary to verify the entries in any such books of account.¹⁵

The scope of audit of the VAT records was limited as the Force did not maintain all the records of monthly VAT Returns.

¹⁴ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

¹⁵ Value added Tax Decree 1991- Section 79 Pg 72

As a result, audit could not substantiate the accuracy of VAT payments during the year.

Recommendation

The Force should ensure that records pertaining to VAT are properly maintained for reconciliation and audit purposes.

Management Comments

Comments not received.

17.15 Overpayment of Salaries - Resignation

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.¹⁶

Some officers who had resigned from the service were still being paid. Moreover no effort was made by the Force to recover these overpayments. Refer to the following table for details:

Table 17.12: Overpayment of Salaries upon Resignations.

EDP No.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Remarks
52301	Mosese Vakacegu	611	The officer resigned from the service with effect from 07/07/08 but paid until pay 15/08.
52473	Desley Khan	1,581	The officer resigned from the force with effect from 07/07/08 but paid until 11/08/08.
52906	Mithun Goundar	663	The officer resigned from the force with effect from 04/08/08 and paid until 25/08/08. The officer also failed to clear an OPR of \$117.

Further to this it was noted that officer who was dismissed continued to receive their salary. Refer to table below for details:

Table 17.13: Overpayment of Salaries on Dismissal

EDP No.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Remarks
51773	Akuila Tuinayau	4,407	The officer was dismissed from the Force with effect from 12/06/08 but he continued to receive salary until pay 18/08.

It was also noted that few of the staffs were paid even though their cessation of the salary was published in the force routine orders. Refer to the table below for examples:

¹⁶ 2005 Finance Instructions Section 26 (1)

Table 17.14: Overpayment of Salaries contrary to the Stoppage Instruction

EDP No.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Remarks
76220	Pranesh Kant	10,229	The officer's salary was stopped from 12/01/08 but he continued to receive salary until pay 22/08.
52301	Mosese Vakacagu	3,469	The officer's salary was stopped with effect from 02/02/08 but he continued to receive 50% salary until pay 15/08.

The above is due to lack of communication between the administration and the salaries section and no or little follow up with all the force routine orders. This has result in unwarranted use of public funds.

Recommendations

- **Immediate recovery should be made from officers who are overpaid.**
- **Supervisory checks should be made in the Salaries section.**

Management Comments

a. *Resigned but still paid.*

EDP NO.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Action Taken
52301	Mosese Vakacegu	611.00	Pay 15/08 was reversed from the bank whereby he owed the sum of \$198.30.
52473	Desley Khan	1,581.00	The officer was transferred to National Prosecution Service under DPP's Office. Recovery should be made by DPP's Office.
52906	Mithun Goundar	663.00	Officer has some pending leave which will be utilized to recover overpayment.

b. *Dismissed but still paid.*

EDP NO.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Action Taken
51773	Akuila Tuinayau	4,407.00	Officer has some pending leave which will be utilized to recover overpayment.

c. *Stoppage but still paid.*

EDP NO.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Action Taken
76220	Pranesh Kant	10,229.00	Officer has 59 days pending leave which will be utilized to recover overpayment.
52301	Mosese Vakacegu	3,469.00	The Officer has some pending leave which will be utilized to recover overpayment.

17.16 Unrecoverable Salary

The Commission may grant an Officer leave without salary not in the public interest, for a period not exceeding twelve months.¹⁷

An officer who, having been granted leave, fails to return to duty at the proper time is liable to disciplinary action including termination under Regulation 34(2) of the PSC (Constitution) Regulations, 1990.¹⁸

The audit noted a few cases where officers who had taken leave without pay were continued to be paid their full salaries and allowances resulting in an overpayment. The overpayments of salaries were not recovered. Refer to the table below for examples:

Table 17.15: Officers Receiving Salaries while on Leave without Pay

EDP No.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Remarks
51604	ASP Jaswant Lal	1,152	The officer went on leave without pay with effect from 07/07/08 but he continued to receive full salary until 28/07/08
53606	Lisi Muaror	30,371	The officer went on leave without pay with effect from 11/05/05 but she continued to receive her salary until 06/04/08. This issue was raised in the Forces 2008 internal audit report and to date no person has been surcharged for the unwarranted blunder. So far \$6,310 has been recovered from the former employee's sister who had been using the salary.

The overpayment of salary was due to the salaries section inefficiency and lack of communication and co-ordination with the administrative section which resulted in government funds being not utilised in a proper manner.

Recommendations

- Since both the officers have left the Fiji Police Force, the salaries section should be liable for the overpayment.
- Staffs responsible for the cessation of the salary for the above officers should be surcharged.
- Supervisory controls should be put in place to avoid such future overpayments.

Management Comments

EDP NO.	Name of Officer	Overpaid Salaries as at 31/12/08 (\$)	Action Taken
51604	ASP Jaswant Lal	1,152.00	Officer currently employed at UN HQ. Arrangement on going for the recovery.
53606	Lisi Muaror	30,371.00	Arrangement has been made for recovery of overpayment through our Police Legal Unit.

17.17 Major Tender Boards Approval

Tenders must be called for the procurement of goods, services or works that cost over \$20,000¹⁹. Effective from 19th of September 2008 the procurement limits of Permanent Secretaries are

¹⁷ General Order 718 (a)

¹⁸ General Order 304 (c)

restored to \$20,000. Any procurement above this limit must be approved by the Major Tenders Board.²⁰

The Fiji Police Force failed to call tenders for a number of purchases which were above \$ 20,000 particularly when procuring from Lotus Garments (MFG) Ltd and Deluxe Footwear Fashions Ltd. Refer to the following table for examples:

Table 17.16: Procurements made without the Tender Boards Approval

Date	Chq no	Payee	Amount(\$)	Details
03/10/08	641163	Lotus Garments	636,000	Being purchases of Police uniform navy blue long straight/cargo trousers, silver grey long sleeve/short sleeve shirt and rain jackets. No tender board's approval was sighted. No delivery docket was sighted and no LPO was issued.
19/11/08	643012	Deluxe footwear	35,420	Purchase of Boots, however no tenders called for.
08/10/08	641367	Lotus Garments	798,000	Payment of account.
14/03/08	633114	Lotus Garments	37,800	Payment of account.
11/06/08	636647	Lotus Garments	120,000	Payment of account.
26/11/08	643475	Lotus Garments	161,000	Payment of account.
26/11/08	643473	Deluxe footwear	189,400	Settlement of account.
03/12/08	643906	Deluxe footwear	132,580	Purchase of Boots, however no tenders were called.
03/12/08	643906	Deluxe footwear	132,580	Being purchase of 700 boots @ \$189.90 each. No tender approval was attached with the voucher.

Audit inspection of payment made raises suspicion as to why the Force continued to purchase from these two suppliers and even deliberately failing to adhere to the Financial Instructions 2005 and Finance Circular.

Since 2006 the Police Force had continued to purchase footwear from Deluxe Footwear Fashion Ltd and clothing from Lotus Garments (mfg) Ltd amounting to \$1,113,444 and \$10,085,872 respectively. Refer to the table below for details of payments from 2006:

Table 17.17: Payment Details to Lotus Garments and Deluxe Footwear

Year	Paid to Deluxe Footwear \$	Paid to Lotus Garments \$
2006	14,678	448,615
2007	10,790	267,625
2008	471,297	2,366,833
2009 (as at 3/7/09)	616,679	7,002,799
Total	1,113,444	10,085,872

According to the storeman Mr. Sunil there was a contract between the Force and Deluxe Footwear Ltd

¹⁹ Finance Instruction 2005 – Competitive Procurement – Section 12(4)

²⁰ Finance Circular 14/2008 Section 2.1

and Lotus Garments for the supply of footwear and uniforms, however despite several requests to sight the contract nothing was produced.

The Fiji Police Force failed to exercise proper economy over the purchase of boots and uniforms and proper value may not have been obtained for funds spent on the purchases as competitive bidding was surpassed.

Recommendations

- **The Fiji Police Force should call for tenders for procurement of goods, services or works that cost over \$20,000.**
- **Officers who had breached the tender procedures specified in the Financial Instructions 2005 and the Finance Circular No.14/2008 should be disciplined and surcharged accordingly.**

Management Comments

<i>Date</i>	<i>Chq No.</i>	<i>Payee</i>	<i>Amount (\$)</i>	<i>Action Taken</i>
03/10/08	641163	Lotus Garments	636,000	COGS advice on contract prepared with supplier. Contract signed, Solicitor General advice provided.
19/11/08	643012	Deluxe footwear	35,420	Continuous delay in Major Tender Board approval despite additional clarification. Contract signed, Solicitor General advice provided.
8/10/08	641367	Lotus Garment	798,000	COGS advice on contract prepared with supplier. Contract signed, Solicitor General advice provided.
14/03/08	633114	Lotus Garment	37,800	COGS advice on contract prepared with supplier. Contract signed, Solicitor General advice provided.
11/06/08	636647	Lotus Garment	120,000	COGS advice on contract prepared with supplier. Contract signed, Solicitor General advice provided.
26/11/08	643475	Lotus Garment	161,000	COGS advice on contract prepared with supplier. Contract signed, Solicitor General advice provided.
03/12/08	643473	Deluxe footwear	189,400	Continuous delay in Major Tender Board approval despite additional clarification. Contract signed, Solicitor General advice provided.
03/12/08	643906	Deluxe footwear	132,580	Continuous delay in Major Tender Board approval despite additional clarification. Contract signed, Solicitor General advice provided.
03/12/08	643906	Deluxe footwear	132,580	Continuous delay in Major Tender Board approval despite additional clarification. Contract signed, Solicitor General advice provided.

Further OAG comment

The contract agreement between Force and the Deluxe Footwear Fashions was not provided for audit verification. All the necessary procurement procedures were not followed while engaging the above suppliers.

17.18 Improper use of Public Funds

The affairs of any credit union shall be examined by or under the direction of the Registrar when ever he suspect's fraud or other irregularities have occurred and the credit union shall produce all books,

documents and other papers required by the person conducting the examination. The cost of the examination shall be borne by the credit union.²¹

Audit noted that the Police Credit Union was audited by KPMG in 2007 upon directive given by the then Acting Commissioner of Police, Mr. Jimi Koroi, a direct contrast to the requirements of the Credit Union Act which requires the Registrar to call for the examination of a credit union’s accounts.

Moreover, the audit fee of \$87,396 was paid from the Police’s budgetary allocation in contrast to the Credit Union Act which had stated that the Credit union is supposed to pay for the audit fees.

Furthermore, a decision was handed over by the Office of the Solicitor General in a letter dated 17th September 2007 that Fiji Police Force was liable to pay the \$87,396 since the provisions of the Credit union Act was not adhered to by the Police Department.

The details of the breakdown of the payment that was made to KPMG are tabulated below:

Table 17.18: Payment Details

Date of Payment	Cheque #	Amount (\$)	Allocation	Details of Allocation
21/04/08	634552	20,000	1-20101-20101-071199	MIS-Special Admin projects
04/11/08	642299	67,396	1-20101-20101-071206	Community Rehab Asst. Programme
Total		87,396		

The directive for the Force to pay the audit fees in contrast to the requirements of the Credit Union Act is a blatant disregard to adherence to the Credit Union Act section 56 and abuse of position to gain advantage for the Credit Union.

Recommendations

- **The Force should ensure officers exercise proper economy in the use of public funds.**
- **The Force should liaise with the Police Credit Union to reimburse the audit fees paid by the Department.**

Management Comments

Date of Payment	Cheque #	Amount (\$)	Allocation	Details of Allocation	Action Taken
21/04/08	634552	20,000	1-20101-20101-071199	MIS-Special Admin projects	The liability shift to the organization upon then CP’s instruction.
04/11/08	642299	67,396	1-20101-20101-071206	Community Rehab Asst. Programme	A special investigation initiated by Police for its criminal element.

²¹ Credit Unions Chapter 251 Section 56 (1) (b), 56 (2).

17.19 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 action of his men working for him.

Public funds totalling to \$794,434.60 have been paid between 2004 and 2008 as litigation costs. This money could have been used for other urgent purchases had the officers of the Force taken due care in their job. Refer to the table below for details:

Table 17.19: Litigation Cost Details

Year	Litigation costs (FMIS) \$	Litigation costs (Department) \$
2004	34,495.63	Not provided by the Force
2005	565,422.52	Not provided by the Force
2006	36,768.89	Not provided by the Force
2007	37,787.11	524,242.10
2008	119,960.45	285,566.32
Total	794,434.60	809,808.42

The legal officer of the Force has confirmed that the total cost for 2007 and 2008 alone was \$809,808.42. When complaints are not adequately addressed civil cases are filed against the State. The Force therefore has to pay damages after the lawyers representing the injured party take the matter to court.

Recommendations

- **To safeguard public funds from waste and extravagance, the Force must urgently address the issue of unprofessional conduct of Police officers.**
- **Proper guidelines should be established to safeguard the image of the Force in the country.**

Management Comments

Fiji Police has embarked on a new strategy and the only strategy which is “Jesus”. Instead of focusing on crime we are focusing on people. Crusade is organized to foster friendly relationship to avoid complaints.

17.20 Extravagant Spending

The proper management of expenditure is fundamental to ensuring value-for-money in delivering services to the community. As well having cost effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over-expenditures and corruption do not occur.²²

The audit noted that the Police Force had undertaken a new approach to combat crime which involved crusade work in the public. The new approach to crime prevention has increased the expenses and is viewed as exorbitant to the Force. Refer to *Appendix 17.3* for examples of extravagant expenses.

²² Finance Manual 2005 Part 2 Expenditure

Not all cost related to the Crusade could be identified as payment vouchers could not be located since there was very limited description of the payments available through the FMIS.

The anomaly indicates lack of control over the expenses by the Force incurring exorbitant expenses.

Recommendation

The Force should avoid unnecessary payments for its crime prevention program and prioritize essential payments only.

Management Comments

Priority strategic implementation to prevent crime.

17.21 Excessive Engagement of Private Printing Companies

A quote from Government Printing is required for the printing of books, brochures, newspapers or other printed materials capable of being supplied by the Government Printing.²³

Despite the requirements to engage the Government Printer, the Force engaged private printing companies without obtaining quotations. Refer to the table below for details:

Table 17.20: Details of Procurement made from Private Printers

Company Name	Period	Amount \$
Digital Print Fiji Limited	March 2007 to September 2008	12,894.83
Kingdom Print Limited	January 2007 to September 2008	47,325.00
Makoi Instant Print	September 2007 to September 2007	910.00
Max Marketing & Publishing Ltd	December 2007 to June 2009	19,403.51
Pacific Printery Limited	December 2007 to March 2009	8,836.00
Quality print limited	February 2007 to June 2009	10,420.00
Walmarc Graphics	July 2008 to November 2008	6,000.00
Star Printery	July 2008 to May 2009	2,477.00
Print Centre	May 2008 to January 2009	17,493.05
Print & design Shop	November 2008 to May 2009	11,390.01
Oceania Printers Ltd	December 2007 to December 2007	6,997.01
Dynamic Printers	September 2007 to December 2008	468.00
Uprising Printery	February 2008 to June 2009	84,169.80
Total		228,784.21

Recommendations

- **The Force should ensure that the Department of Government Printing and Stationery was considered when obtaining quotations for jobs.**
- **The Force should exercise proper control over the printing of documents to avoid wastage and reduce engagement of private printing companies.**

²³ Financial Instructions 2005 Section 12 (2).

Management Comments

We admit that not all printing of our documents involved Government Printing. In future we'll ensure to first obtain quotes from Government Printing then call other printing companies for quotations. Other printing companies were involved due to the printed documents itself.

17.22 Manual Payments

No manual payment of salary is permitted except on first appointment or upon written approval from the Commissioner of Police.²⁴

Audit noted that the Fiji Police Force did not update a total of \$739,976.56 of manual payments into the FMIS system.

Examples of some of the manual payments of substantial amounts are reflected in *Appendix 17.4*. Not updating of manual payments into the system will not give a true reflection of the financial position of the Force thus understate the expenditure votes.

Recommendations

- **The Force should ensure that all manual payments are updated into the FMIS system.**
- **Officers who authorise such manual payments should be disciplined and reprimanded to avoid such actions.**

Management Comments

A control measures has been put in place where all manual payments are entered into the register and should be updated in the FMIS system once the GL is in place again. Some vouchers may have not been updated due to transfers of officer's responsible to other departments and the urgency of payment due to the fact that Police Operation are situational to allow quick deployment of manpower.

17.23 Custody of Exhibits

The investigating officer shall as far as possible, ensure that exhibits are preserved in their original state as at the time of possession and must not tamper or interfere with the exhibits.²⁵

The Ba Police Station had in their possession exhibits in the form of two vans, a boat and a car parked in the Station compound for the past 9 years. The audit was informed that initially when the exhibits were brought to the Ba Police Station in the year 2000 they were all in good working conditions.

Refer to the pictures below for details of the current statuses of the exhibits:



²⁴ Finance Manual Section 4.5.14

²⁵ Procedures for seizure, management and disposal of exhibits Section 5.2.1.3 b

According to CID HQ the case started in 2000 and was completed in 2005, whereby the Judge gave her judgement for the exhibits to be forfeited to the State. This was not done as a disposal procedure manual is yet to be implemented in Fiji.

The above indicates the lack of adherence to proper storage of exhibits by Officers at the Ba Police Station which has resulted in the exhibits deteriorating and in states of disrepair.

Recommendation

The Force should ensure that the exhibits are preserved in the original state as at the time of possession.

Management Comments

The case was handled by CID HQ. Investigating Officers are working on the High Court documents for further instruction on disposal of exhibit.

17.24 Police Footwear at Government Supplies

The supply of safety Boots and Safety shoes are to be procured from the Department of Government Supplies as per tender No.CTN31/07.²⁶

The audit noted that the Police Force continued to purchase its footwear from Deluxe Footwear Fashions Limited, despite the clear instructions given in the Finance Circular that all purchases of safety Boots and Safety shoes were to be made through Government Supplies.

It was further noted that Black shoes and Tuff boots were purchased at a very high price of \$185.00 and \$156.00 a pair which was seen as exorbitant at a time when there are cost reduction measures were in place for all ministries and departments.

Further verifications revealed that Government Supplies had in stock black shoes and Tuff boots which had been lying in the bulk for the last years due to the Police Force procuring from Deluxe directly.

The Government Supplies Department is now in the process of auctioning the boots as they have remained unsold for some considerable time. These boots were initially purchased for the Fiji Police Force. The following pictures were taken at the Government Supplies of shoes and Tuff boots.



²⁶ Finance Circular No. 16/2008 dated 06/11/00.

The above indicates Force's disregard of Finance Circular No.16/2008 and the Financial Management Regulations 2005 in continuing to purchase at higher costs from Deluxe Footwear.

Recommendations

- **The Force should adhere to Finance Circular No. 16/2008 at all times.**
- **The Force should surcharge officers authorising the purchases of footwear from Deluxe in contravention to the Finance Circular instructions.**

Management Comments

Police Act 8 (1) on the Administration of the Force it states "The administration of the Force throughout Fiji shall be vested in the Commissioner". The organisation has been going through transformation, modernization and re-energisation to support its operation to effectively and efficiently Maintain Law and Order

17.25 Excessive Procurements from Lotus Garments (MFG) Ltd

Inventory should be purchased in the most economical manner having regard to the expected level of usage²⁷.

The Force has been excessively procuring from Lotus Garments without calling for public tenders. Refer to the table below for details:

Table 17.21: Examples of Procurement made without Calling for the Tenders

Date	Item	(Qty) at date of additional procurement	Additional procurements (Qty)	Cost \$	Remarks
02/12/08	Raincoat Set	2,685	1,315	315,600	Additional procurements were made despite the high quantity of items on hand
23/06/09	Ripstock Navy Trousers	1,203	7,500	337,500	Additional procurements were made despite the high quantity of items on hand
23/06/09	Long Sleeve Shirt Grey	1,641	4,000	90,000	Additional procurements were made despite the high quantity of items on hand
18/06/09	Fiji Police Navy Trousers	923	7,500	337,500	Additional procurements were made despite the high quantity of items on hand
23/06/09	Grey Shirt Short Sleeve	2,401	6,000	135,000	Additional procurements were made despite the high quantity of items on hand

Furthermore, audit inspection of the stores at Nasese on 25/06/09 revealed that 1,000 sets of 31 piece dinner set with the Police Department's logo printed on it was delivered by Lotus garments. Audit requested to take photos of the dinner set unloaded but was refused by the stores personnel upon instruction from the headquarters.

The unnecessary purchases tied down funds as stock levels when additional purchases were made were seen to be sufficient. The risk of dubious purchasing cannot be ruled out.

²⁷ Financial Instructions 2005 Section 43(1) (a).

Recommendations

- **The Force should avoid unnecessary payments to ensure that there was proper utilization of resources.**
- **The approval of Major Tender Board must be obtained for any purchases above \$20,000.**
- **The Force should investigate whether such large scales of procurement are necessary and whether items purchased have been received and properly issued.**

Management Comments

<i>Date</i>	<i>Item</i>	<i>Cost \$</i>	<i>Action Taken</i>
2/12/08	Raincoat set	315,600	COGS advise on contracting prepared with supplier. Contract signed, Solicitor General advice provided.
23/06/09	Rip-stop Navy Trousers	337,500	COGS advise on contracting prepared with supplier. Contract signed, Solicitor General advice provided.
23/06/09	Long sleeve shirt grey	90,000	COGS advise on contracting prepared with supplier. Contract signed, Solicitor General advice provided.
18/06/09	Fiji Police Navy Trousers	337,500	COGS advise on contracting prepared with supplier. Contract signed, Solicitor General advice provided.
23/06/09	Grey Shirt Short Sleeve	135,000	COGS advise on contracting prepared with supplier. Contract signed, Solicitor General advice provided.

17.26 Lawsuit Filed Against – Major Tenders Board

Public tenders may be called for procurement of goods, services or works valued at \$20,000 or more unless a Tender Board had approved an exemption in accordance with Finance Instruction 12(6).²⁸

On 10/10/07 Major Tenders Board in its meeting No. 17/07²⁹ decided to award the contract for supply of sky blue shirts to Tropical Garments and the Blue long trousers to be supplied by Lotus Garments.

The audit however noted that the Police Commissioner had rejected the decision of the Major Tenders Board and instead purchased the sky blue shirts from Lotus garments costing the government an extra \$55,600. The fabric to be used for the sky blue shirts was same from both Tropical garments and Lotus garments. Refer to the table below for the tender evaluation for the sky blue shirts.

Table 17.22: Tender Evaluation Details

Supplier	Item	Particulars
Tropical Garments Fiji Ltd	Shirt Sky Blue – Regular Officers	8,000 pieces @ \$15.85 = \$126,800 VIP
Lotus Garments	Shirt Sky Blue – Regular Officers	8,000 pieces @ \$22.80 = \$182,400 VIP
South Austral Pty Ltd	Shirt Sky Blue – Regular Officers	8,000 pieces @ \$50.75 = \$406,000 VIP

Furthermore, audit noted that a letter was forwarded by Sherani & Co to Major Tenders Board instituting legal proceedings due to considerable loss and damages suffered by their client Tropical Garments amounting to \$126,950.

The Force had continuously made substantial purchases from Lotus Garments despite high cost to the government. With non adherence to Major Tender Board decisions the Force has allowed the government to be sued for defaulting on its decision.

²⁸ Fiji Police Force Finance Manual 2005 Section 2.3.1

²⁹ Major Tender Board, Tender CTN 17/07 Supply of Uniforms - Police

Recommendations

- The decision of the Major Tenders Board should be stringently followed for any procurement above \$20,000.
- Disciplinary and surcharge action should be instituted against all officers who had not adhered to the Major Tenders Board's decision and instead incurring an extra \$55,600 cost and the possible litigation cost of \$126,950.

Management Comments

<i>Supplier</i>	<i>Item</i>	<i>Particulars</i>	<i>Action Taken</i>
<i>Tropical Garments Fiji Ltd</i>	<i>Shirts Sky Blue - Regular officers</i>	<i>8000 pieces at \$15.85=\$126,800.00 VIP</i>	<i>Award does not fully meet our uniform specs.</i>
<i>Lotus Garments</i>	<i>Shirts Sky Blue - Regular Officers</i>	<i>8000 pieces @ \$22.80=\$182,400.00 VIP</i>	<i>COGS advise on contracting prepared with supplier. Contract signed, Solicitor General advice provided.</i>
<i>South Austral Pty Ltd</i>	<i>Shirt Sky Blue - Regular Officers</i>	<i>8000 pieces @ \$50.75 = \$406,000.000 VIP</i>	<i>Award does not fully meet our uniform specs.</i>

17.27 Motor Vehicle Accidents

It is the responsibility of the Driver to study the Transport Rules and Instructions and the head of Department to ensure that the driver understands his responsibilities which could reduce unnecessary expenses, avoidance of negligent driving.³⁰ A copy of the accident report shall be submitted to the Deputy Commissioner of Police who shall forward copies to the PS, Ministry of Finance and the Solicitor General.³¹

Audit noted that for 2008 alone there were 81 cases of accidents involving Police Vehicles. Out of this, 46 cases had the Police Officers at fault which included negligent drivers. Audit noted that the drivers implicated had their cases pending with Ministry of Finance. Refer to *Appendix 17.5* for examples.

Accident on motor vehicles ties up unnecessary funds in terms of maintenance and repairs and most importantly hinders the Police Force from providing much needed urgent service to the public.

Recommendation

Officers responsible for damaging government vehicles should be surcharged.

Management Comments

Please refer to Appendix 17.5 for management comments.

³¹ Fiji Police Force – Finance Manual Section 12.6.6

17.28 Negligent Drivers

A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.³²The accident report, Police report, Solicitor Generals advice and Director Traffic's recommendations will be taken into consideration by the surcharge authority before any surcharge is imposed.³³

Audit noted on a number of occasions officers from the Force were involved in motor vehicle accidents due to their own negligence. The following table provides some examples:

Table 17.23: Examples of Accident caused due to Negligence Driving

Date	Reg #	Place of Accident	Driver Name	Estimate Cost Of Repair (\$)	Fault	Cause of Accident
16/01/2008	GN 163	T/Pool yard	IP Juita Vucago	150.00	Police Driver	Vehicle reg. GN551 reversed and bumped into GN 163 which was in motion.
16/01/2008	GN 551	T/Pool yard	PC Shan	30.00	Police Driver	While reversing bumped into GN 163.
25/01/2008	GN 256 & GN 472	Transport Pool	SC 2538 Iosefo	70.00	Police Driver	While reversing and bumped vehicle reg. GN 256.
01/03/2008	GN 474	QEB	SC Imran Khan	200.00	Police Driver	While reversing bumped into the retaining wall.
18/03/2008	GN 096 & GN 035	Transport Pool	SC 276 Epeli	180.00	Police Driver	Police vehicle reg. GN 035 bumped into GN 096.
18/03/2008	GM 305	Transport Pool	CPL Ilisoni	200.00	Police Driver	GM 305 bumped into GN 096.
01/05/2008	GN 654	Jaduran S	SC 1909 Jowe Rabuka	Not Stated	Police Driver	While reversing bumped into the gate post.

Such incidents by the drivers depict a negative picture and imply that the Force has not provided adequate training to its drivers.

Recommendations

- **Officers found negligent during accidents whilst driving the Force's vehicles should be surcharged.**
- **The Force should ensure that only qualified drivers are allowed to drive.**

Management Comments

All Police Drivers authorised to drive "must" possess a Defensive Driving Certificate. Newly recruited drivers have to go through two weeks of orientation and basic training.

³² Fiji Police Force – Finance Manual Section 12.6.7

³³ Fiji Police Force – Finance Manual Section 12.6.8

17.29 Hiring of Rentals

Officers responsible for the control over expenditure should ensure proper economy in the use of public funds and thereby ensure that proper value is obtained for all funds utilised.

Audit noted that the Force had been incurring substantial expenditure from the hiring of vehicles over the past 4 years. Audit scrutiny of the payment vouchers and details obtained from FMIS revealed that the total expenditure on rentals amounted to \$ 286,804.02 from 2006 to June 2009. Refer to the table below for details:

Table 17.24: Details of Hiring of Rental Vehicles

Payee	June 2009 Amount(\$)	2008 Amount(\$)	2007 Amount(\$)	2006 Amount(\$)	Total
Dove-Rent-A-Car	5,500.00	28,006.36	17,119.99	20,200.00	70,826.35
Quality Rent A Car	53,713.56	23,771.50	56,804.20	27,739.50	162,028.76
Avis	4,061.75	-	6,515.96	-	10,577.71
Budget Rental Cars	8,956.00	-	22,345.20	-	31,301.20
Carpenters Rentals	2,170.00	1,550.00	-	-	3,720.00
Amazing Rentals Ltd	-	630.00	-	-	630.00
Sharmas Rent A Car	-	-	3,600.00	4,120.00	7,720.00
TOTAL	74,401.31	53,957.86	106,385.35	52,059.50	286,804.02

Recommendation

It is recommended that the hiring of vehicles be strictly monitored and that it should only be restricted for urgent purposes after all means of trying to obtain a vehicle within the force have been exhausted.

Management Comments

A commitment urgently required on special operation.

Appendix 17.1: Statement of Output Costs for 2008**Portfolio Leadership and Secretariat Support**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating		
Established Staff	13,751,097	12,712,725
Unestablished Staff	41,529	77,082
Travel & Communication	383,467	2,368,994
Maintenance & Operations	392,781	1,552,893
Purchase of Goods & Services	167,043	660,900
Operating Grants & Transfers	19,999	19,956
Special Expenditure	183,273	83,590
Total Operating Expenditure	14,939,189	17,476,140
Capital Expenditure		
Capital Construction	0	0
Capital Purchases	2,205,006	119,802
Total Capital Expenditure	2,205,006	119,802
Value Added Tax	389,444	1,108,556
TOTAL EXPENDITURE	17,533,639	18,704,498

Community Policing

Description	2008 \$	2007 \$
EXPENDITURE		
Operating		
Established Staff	2,002,071	893,342
Unestablished Staff	0	0
Travel & Communication	0	62,773
Maintenance & Operations	0	87,016
Purchase of Goods & Services	0	13,403
Special Expenditure	49,151	166,399
Total Operating Expenditure	2,051,222	1,222,933
Value Added Tax	5,357	60,866
TOTAL EXPENDITURE	2,056,579	1,283,799

Police Operations

Description	2008 \$	2007 \$
EXPENDITURE		
Operating		
Established Staff	5,351,064	5,356,913
Unestablished Staff	25	10,238
Travel & Communication	858,499	304,532
Maintenance & Operations	79,788	34,831
Purchase of Goods & Services	445,665	17,008
Special Expenditure	59,940	165,496
Total Operating Expenditure	6,794,981	5,889,018
Capital Costs		
Capital Purchases	163,631	0
Total Capital Costs	163,631	0
Value Added Tax	166,516	664,285
TOTAL EXPENDITURE	7,125,128	6,553,303

Criminal Investigation

Description	2008 \$	2007 \$
EXPENDITURE		
Operating		
Established Staff	205,189	118,611
Unestablished Staff	93,938	36,936
Travel & Communication	26,319	27,547
Maintenance & Operations	(1,188)	1,983,054
Purchase of Goods & Services	686,922	20,313
Special Expenditure	324,803	0
Total Operating Expenditure	1,335,983	2,186,461
Capital Expenditure		
Capital Construction	804,008	188,437
Total Capital Expenditure	804,008	188,437
Value Added Tax	256,564	308,705
TOTAL EXPENDITURE	2,396,555	2,683,603

Fiji Police Intelligence Bureau

Description	2008 \$	2007 \$
EXPENDITURE		
Operating		
Established Staff	76,245	229,794
Unestablished Staff	7,839	91,190
Travel & Communication	100,808	36,351
Maintenance & Operations	71,866	-
Purchase of Goods & Services	22,465	194,678
Special Expenditure	139,999	37,787
Total Operating Expenditure	419,222	589,800
Value Added Tax	25,806	49,151
TOTAL EXPENDITURE	445,028	638,951

Corporate Support Services

Description	2008 \$	2007 \$
EXPENDITURE		
Operating		
Established Staff	40,981,864	38,022,313
Unestablished Staff	540,116	688,446
Travel & Communication	2,190,153	860,086
Maintenance & Operations	5,634,567	186
Purchase of Goods & Services	742,031	894,103
Special Expenditure	70,437	51,111
Total Operating Expenditure	50,159,168	40,516,245
Value Added Tax	1,056,375	3,209,394
TOTAL EXPENDITURE	51,215,543	43,725,639

Appendix 17.2: FNPF Variance Details

(a) Total FNPF against salaries and wages for 2008		\$
FNPF as per financial statement		4,601,085
<i>Add:</i> FNPF for December 2008	418,231	
Payment made not entered into FMIS for 2008	11,379	429,610
		5,030,695
<i>Less:</i> FNPF for December 2007		442,072
		4,588,623
Gross pay subject to FNPF (4,588,623 divided by 0.08)		57,357,788
(b) Salaries and wages for 2008 subject to FNPF:		

Salaries, wages and allowances as per financial Statement		58,449,893
Less: Salaries and wages not subject to FNPF		-
Salaries, wages and allowance for 2008 subject to FNPF		58,449,893
Variance		1,092,105

Appendix 17.3: Exorbitant Expenses

Date	Cheque #	Amount (\$)	Payee	Details	Allocation
04/06/09	650442	500	Methodist Church in Fiji	Hire of roofing iron for crusade.	Training crime prevention
05/12/08	644044	10,780	Emosi Baleinuku	Tea, biscuit, butter, rewa life, flour, soya bean oil, sugar, transport, decoration, banner, sound system	Not in system
05/12/08	644042	10,200	Josua Vodo	Transport, refreshment, stage, sound system,	Not in system
05/12/08	644043	7,300	Esekaia Daugunu	Ground, salusalu. prizes, band, transport, trophies, t-shirts, electricity, gifts, refreshments, sound system	Not in system
09/12/08	644165	3,800	Formscaff	Put up shed at the main venue for the Western Division at Nadovu Park, Lautoka	Awareness others
09/12/08	644171	11,000	Sharma Music Centre	Hire of Sound System – base guitar, base amp, rhythm guitar, keyboard and drum set.	Awareness others
09/12/08	644185	3,000	Lei Production	Production of 10 banners for the national crusade week for western division	Awareness maritime safety
10/12/08	644334	7,960	Mai Tv	Televised coverage of crusade by Mai TV	Other maintenance & operation
10/12/08	644265	300	Nasinu Seventh Day Adventists	Police Crusade week	Protection gear & clothing
10/12/08	644272	940	Solo Hire Services	Hire of chairs for crusade week	Protection gear & clothing
11/12/08	644426	540	Lalas Bargain Centre	Bula material for crusade	Protection gear & clothing
18/12/08	644072	12,000	Dee Cees	Hire of Bus for crusade	Search and rescue
18/12/08	644759	4,180	Dee Cees	Hire of buses for Eastern Division crusade	Manual payment not updated in the system.
19/12/08	645810	3,410	Dee Cees	Hire of Bus for crusade	Telecommunication
19/12/08	645851	800	Formscaff	Morque for Police crusade	Telecommunication
29/12/08	644758	14,660	Dee Cees	Hiring of buses during the national crusade week	W & S Building operation
26/06/09	651315	1,500	Pillay Garments Manufacturing	T-Shirts Ruggers for Jesus-crusade	Road Safety Awareness Program

Date	Cheque #	Amount (\$)	Payee	Details	Allocation
18/03/09	647807	450	Frincos Hire Fiji Ltd	Hire Temporary Stage for Nausori Crusade	Commanders Conference
18/03/09	647807	450	Frincos Hire Fiji Ltd	Hire stage for Police family crusade	R& M Building
20/11/08	643079	19,400	S S Music World	Purchased: <ul style="list-style-type: none"> • Sound TEK Channel Mixer • Aclon D3000 Power Amplifier • Aclon D2000 Power Amplifier • MX-1515 B52 15 inches • MX 18 S SUBWOOFER • Snake cable For crusade work	R&M Equipment Radio & Electronic

Appendix 17.4: Manual Payments

Cheque #	Payee	Amount (\$)	Remarks
632160	Sera Bernanrd	7,106.04	Search & Rescue
632161	Eroni Antonio	7,106.04	Search & Rescue
633505	Air Fiji Ltd	1,762.60	Travel Exp
633514	Crime Officer Nadi	1,449.00	Meal Claim
633517	Dir PMD	1,125.00	Meal Claim
633518	Exceed Pasifika	2,205.00	Telecom
633526	Ministry of Labour	7,560.00	OHS
633534	Savusavu Hotspring	1,635.20	Subsistence
633536	Shiv Autospares	1,100.00	Spareparts
633546	COP	16,298.13	U/E Wages
633553	Ramesh Chand	2,000.00	Not stated
634544	Vinod Patel	4,563.60	Stores
634843	Holy Family Primary	1,370.00	Not stated
634973	FEA	6,188.69	Power Supply
636770	Sekove Maiesia	1,609.73	Lodging All
639001	Not stated	74,521.00	Not stated
639002	Not stated	4,200.00	Not stated
639004	Not stated	43,652.00	Not stated
639005	Not stated	2,011.00	Advance
639006	Not stated	5,321.00	Advance
640119	Jad International	2,716.00	Not stated
640121	Boulevard Cetral	3,114.10	Not stated
640122	Anzar Begg	5,184.44	Not stated
640130	Waqainabete E	1,800.00	Travel Exp
640649	Uprising Printing	4,500.00	Stationery
640789	Not stated	850.00	Not stated

Cheque #	Payee	Amount (\$)	Remarks
641249	Not stated	250.00	Not stated
641409	Elenoa T	3,000.00	Prisoners Meal
641411	Rup Investment	4,500.00	Stores
641412	Total Fiji Ltd	1,304.64	Fuel
641413	Total Fiji Ltd	11,115.56	Fuel
641414	Viliame Kaitani	1,349.86	Re-Engagement
641415	Dee Cees Bus	510.00	Travel Exp
641416	Livai T	2,213.50	Subsistence
641419	COP	1,100.04	Meal Claim
641427	Consort Shipping	2,640.00	Travel Exp
641428	Taufa Lote	5,385.30	P/E
641429	COP	1,503.00	Meal Claim
641430	Dir CID	1,164.00	Meal Claim
641432	OC Strikeback	1,188.00	Meal Claim
641434	Dir OPS	1,548.00	Meal Claim
641435	OC Strikeback	2,187.00	Meal Claim
641436	Lepanoni Settlement	1,750.00	Trust Fund-SPORTS
641450	OC Dog Namaka	4,223.96	Meal Claim
641451	SO Rakiraki	4,520.65	Meal Claim
641452	COP	2,604.93	Meal Claim
641480	Not stated	65,321.52	Not stated
641493	Not stated	3,125.00	Not stated
641494	Not stated	22,032.00	Not stated
641968	Total Fiji Ltd	38,978.44	Fuel
642085	Elenoa T	1,800.00	Force Education Programme
642086	Air Pacific	1,043.60	Travel Exp
642796	Officers Mess	3,975.43	Prisoners Meal
643247	Lotus Garment	8,400.00	Stores
643248	Salacieli Naivilawasa	90.00	Meal Claim
643737	Viliame Soko	300.00	Meal Claim
644026	Not stated	840.00	Not stated
644039	Classic Buses Ltd	380.00	Travel Exp
644040	Pacific Transport	485.00	Travel Exp
644041	Akbar Buses Ltd	400.00	Travel Exp
644110	Jone Ralulu	3,000.00	Meal Claim
644114	Not stated	480.00	Not stated
644126	Not stated	200.00	Meal Claim
644178	Cathy Hotel	444.00	Subsistence
644244	Jale Dilio	1,900.00	Travel Exp
644245	Kelemedi Naidiri	216.00	Meal Claim
644246	Vinod Chand	216.00	Meal Claim
644247	Lemeki Mawalu	234.00	Meal Claim
644248	Sailendra Chandar	14,716.99	Not stated
644249	Mosese Nailumu	300.00	Meal Claim
644250	Vilikesa Vurewa	234.00	Meal Claim
644710	Sumeshwar Prasad	279.00	Meal Claim
644721	Ropate D	351.00	Meal Claim
644724	T K Parker	198.00	Meal Claim
644759	Dee Cees Bus	4,180.00	Travel Exp

Cheque #	Payee	Amount (\$)	Remarks
644782	Govt. Printing	16,419.98	Stationery
644821	Jese W	395.00	Travel Exp
644830	Carpenters Motors	300.00	Spareparts
644831	Govt. Printing	855.00	Stationery
644840	Ram Naresh	108.00	Meal Claim
644845	Mass Stationery	1,868.00	Stationery
644851	Govt. Supplies	1,273.94	Stores
644853	Timoci T	931.22	P/E
644854	Avenito	869.32	P/E
644855	Penieli R	968.94	P/E
644856	Simione C	712.65	P/E
644857	Esava K	855.09	P/E
644858	Mesulame	970.37	P/E
644859	Amani T	943.51	P/E
644867	Pepe's Duty Free	110.00	Stores
644877	Climates	185.00	Subsistence
644878	Carpenters Motors	880.02	Spareparts
644881	Milestone Auto Traders	200.00	Spareparts
644887	Motor Parts Traders	223.12	Spareparts
644888	Ricoh Business Centre	798.75	Stationery
644889	Office Mart Ltd	240.00	Stationery
644890	Pacific Import	3,600.00	Stores
644892	Nivis Motors	210.00	Spareparts
644895	Arun Furniture	1,218.00	Furnitures
644897	Nabua Upholstery	543.00	Stores
644898	Brijjal & Co Ltd	500.00	Stores
644900	Manos Motors	675.00	Spareparts
644901	Wingate Marketing	2,855.00	Building & Maintenance
644902	Rakiraki Hotel	1,568.70	Subsistence
644903	Kasabias Hardware	663.26	Building & Maintenance
644905	Safeway Electronics	26,985.00	Spareparts
644906	Gurbachan Singh	1,080.00	Stores
644910	Suva Bookshop	3,780.00	Stationery
644928	Dir CID	675.00	Meal Claim
644943	Sudesh Prasad	243.50	SC Wages
644950	Jitoko Vuli	697.38	SC Wages
644971	Mosese Bolabiu	809.54	P/E
644977	Safeway Electronics	26,985.00	Spareparts
644978	Extreme Stationery	1,893.80	Stationery
645020	Delux Footwear	151,520.00	Stores
645028	Elcom Services	2,625.00	Telecom
645034	Not stated	2,382.00	Not stated
645036	Fast Find	1,646.00	Telecom

Appendix 17.5: Details on the Accident to Police Vehicles

Date	Reg #	Place of Accident	Driver Name	Estimate Cost Of Repair (\$)	Action Taken
18/01/2008	GN183	Borete Road Nadawa	DC2734 Alipate	1,100.00	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Court case pending.</i>
22/01/2008	GM772	Vakamaisuasua	SC2166 Petero	350	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. All Police Drivers involved in accident are surcharged to recover full costs for maintenance.</i>
09/02/2008	GM271	Labasa Seqqa Rd	D/CPL 2372 Mani	150	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
01/03/2008	GN474	QEB	SC 1096 Imran Khan	200	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
23/03/2008	GN350	Drasa Avenue	CPL 174 Anil Chand	250	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Case files #1432/08 file.</i>
03/04/2008	GN933	Queens Road Navo	PC 4291 Laitai R	1,500	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
07/03/2008	FG613	Car park FPA	PC 4290 Manasa Tawake	213	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Case pending in court.</i>
01/05/2008	GN654	Jaduram S, Labasa	SC 1909 Jowe Rabuka	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
14/04/2008	GM923	QEB	Apisalome Qali	30	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
09/05/2008	GN244	Grantham Road Vatuwaqa	SC 93 Anjilesh Chand	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
05/04/2008	GN185	Drasa Avenue	SC 2916 Alan nair	650	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Case file #3940/08 discharged.</i>

Date	Reg #	Place of Accident	Driver Name	Estimate Cost Of Repair (\$)	Action Taken
06/06/2008	GN076	Statham Road vatuwaqa	Sc 1284 Seru Toribau	100	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
21/06/2008	GN090	Vunika Rd	Pc 3197 Ashneel Kumar	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
26/06/2008	GN640	Drasa Rd Lautoka	DC 2708 Elia Waqasau	70	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
20/03/2008	GN305	Transport Pool	PC 4003 Satya Nand	80	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
26/07/2008	GN366	Kings Road - 5 Miles	SC 764 Neori Raiqiso	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Case still pending in court.</i>
11/08/2008	GM531	Transport Pool	SGT 1118 Timoci	Not stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Investigation pending. Court case ongoing.</i>
19/08/2008	GN200	Bulileka Road	PC 2370 Abdul Hakim	500	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
01/09/2008	GN294	Q/E Drive	CPL 1426 Taito	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Officer convicted with total cost \$7,365 for damage. File sent to Solicitor General for surcharge process.</i>
05/09/2008	GN198	Nabua Bypass	IP Basiyalo	500	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Investigation ongoing.</i>
19/09/2008	GN494	Kings Road Naivuvunira	SC 494 Satya	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Cost of damage \$5,000.00 paid by SC 494 Satya, investigation continuing.</i>
26/09/2008	GN549	Foster Rd Walubay	SC 184 Joji Kuruduadua	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Investigation pending. Court case ongoing.</i>

Date	Reg #	Place of Accident	Driver Name	Estimate Cost Of Repair (\$)	Action Taken
11/10/2008	GN502	Kings Rd 6 Miles	CPL 1301 Timoci Qio	850	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Case pending in court.</i>
06/11/2008	GN026	Nairai Rd	DC 2990 Tora Isireli	150	<i>Delays on submission of Accident reports to Finance are due to prolong of court case.</i>
06/11/2008	GN256	Biau Drive - Cunningham	PC 4291 Ilaitia	Not Stated	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Court case pending.</i>
04/12/2008	GN676	Queens Rd Naimelimeli	SC 870 Eroni Bainivalu	200	<i>Delays on submission of Accident reports to Finance are due to prolong of court case. Case still pending in court.</i>

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 culture in Fiji. These include the provision of curriculum frameworks, policy – guidelines, qualified teaching personnel, and programmes support to controlling authorities and education and training Institutions. The Ministry also has responsibilities for ensuring that standards in education are met and maintained through the regulation and recognition of education and training providers and accreditation of programme delivery. 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.

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FINANCIAL STATEMENT

18.1 Audit Opinion

The audit of the 2008 accounts of the Ministry of Education resulted in the issue of a qualified audit report.

The qualifications are as follows:

- (a) The amounts reflected in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of Government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Ministry under each fifteen outputs.
- (b) The payments of FNPF contributions and VAT could not be reconciled to the accounts.

18.2 Statement of Receipts and Expenditures

The Ministry of Education collected revenue totalling \$1,557,376 and incurred total expenditures of \$291,133,319 in 2008.

TABLE 18.1: STATEMENT OF RECEIPTS AND EXPENDITURES FOR 2008

Description	2008 \$	2007 \$
RECEIPTS		
State Revenue		
Operating Revenue	1,367,295	1,361,237
Total State Revenue	1,367,295	1,361,237
Agency Revenue		
Miscellaneous Revenue	182,088	59,187
Sale of Photographs	0	0
Sales of Sch Farm Produce	7,993	6,688
Total Agency Revenue	190,081	65,875
TOTAL REVENUE	1,557,376	1,427,112

Description	2008 \$	2007 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	203,219,593	202,176,456
Unestablished Staff	2,589,889	2,629,143
Travel & Communication	731,822	681,636
Maintenance & Operations	1,170,092	1,047,534
Purchase of Goods & Services	5,183,319	4,469,371
Operating Grants & Transfers	68,315,738	64,941,020
Special Expenditures	565,723	560,427
Total Operating Expenditures	281,776,176	276,505,587
Capital Expenditure		
Capital Construction	2,109,499	1,459,480
Capital Purchases	---	30,080
Capital Grants & Transfers	6,245,397	5,043,023
Total Capital Expenditure	8,354,895	6,532,583
Value Added Tax	1,002,247	27,886,536
TOTAL EXPENDITURES	291,133,319	310,924,706

The Ministry revenue increased by \$130,264 or 9% in 2008 compared to 2007 as a result of increase in sale of farm produce, and increase in the number of request for recount, rechecks and certified copy of the exam results.

The Operating Expenditure increased by \$5,270,589 or 2% in 2008 compared to 2007 due to:

- the increase in cost for printing of exam papers and cost of ration for boarding schools; and
- increase in grant to USP, and tuition grant for Primary Schools.

The Capital Expenditure increased by \$1,822,312 or 28% in 2008 due to the increase in capital works such as maintenance and upgrading of buildings (including upgrading of Vocational Centres), and increase in grant payable to FIT.

The VAT Expenditure decreased by \$26.9m in 2008 due to the removal of VAT from SEG 1 *Established Staff* and SEG 2 *Unestablished Staff*.

18.3 Statement of Output Costs

The Statements of Output Costs consolidates the 15 outputs prescribed in the Budget Estimates. These are detailed in **Appendix 18.1**.

18.4 Appropriation Statement

The Ministry of Education incurred expenditures totalling \$291,133,319 in 2008 against the budget of \$304,935,941 resulting in a savings of \$13,802,622 or 5%.

TABLE 18.2: APPROPRIATION STATEMENT FOR 2008

SEG	Description	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	212,428,500	(2,663,036)	209,765,464	203,219,593	---	6,545,871
2	Unestablished Staff	2,385,500	241,000	2,626,500	2,589,889	---	36,611
3	Travel & Communication	719,000	22,423	741,423	731,822	---	9,601
4	Maintenance & Operations	1,130,000	92,661	1,222,661	1,170,092	---	52,569
5	Purchase of Goods & Services	4,777,900	555,000	5,332,900	5,183,319	---	149,581
6	Operating Grants & Transfers	65,704,100	8,839,801	74,543,901	68,315,738	---	6,228,163
7	Special Expenditure	850,000	---	850,000	565,723	---	284,277
	Total Operating Costs	287,995,000	7,087,849	295,082,849	281,776,175	---	13,306,674
	Capital Expenditure						
8	Capital Construction	2,350,000	---	2,350,000	2,109,499	---	240,501
9	Capital Purchases	---	---	---	---	---	---
10	Capital Grants and Transfers	4,897,000	1,353,992	6,250,992	6,245,397	---	5,595
	Total Capital Expenditure	7,247,000	1,353,992	8,600,992	8,354,895	---	246,097
13	Value Added Tax	1,252,100	---	1,252,100	1,002,247	---	249,853
	TOTAL EXPENDITURE	296,494,100	8,441,841	304,935,941	291,133,319	---	13,802,622

18.5 Statement of Losses

A sum of \$1,018.22 which comprised of two salary cheques went missing from the office and was later cashed by a salary clerk. The clerk has been charged by police and his services been terminated. Details of the loss were reported to Ministry of Finance. Four officers from salaries section have been issued surcharge letters and have been given time to appeal.

Mr. Josefa Natau lost US\$2,116 in transit in Kuala Lumpa. He reported the matter to the information desk at the Malaysian Airlines. On his return to office the matter was reported to Ministry of Finance who are recovering the loss from him at a rate of \$50 until the full amount of FJD\$3,136 is recovered.

A camera worth \$900 went missing from the office of the Principal Education Officer – Education Support Unit. The officer responsible for the loss was surcharged and is repaying at \$50 a pay until the full amount of \$900 is cleared.

A break in occurred at Bucalevu Secondary School on 05/09/08 where food items valued at \$218.37 were stolen. The matter was reported to the police at Taveuni and to the Ministry of Finance. Investigations are continuing.

18.6 Trust Account-Statement of Receipts and Payments

TABLE 18.3: OPERATING TRUST FUND ACCOUNT STATEMENT

Description	2008 \$	2007 \$
Opening Balance	1,378,864	2,610,458
Add: Receipts	39,956,578	37,128,403
	41,335,442	39,738,861
Less: Payments	40,032,468	38,359,998

Description	2008 \$	2007 \$
Closing Balance	1,302,973	1,378,863

The total trust fund for the Ministry has decreased by \$75,890 or 6% from \$1,378,863 in 2007 to \$1,302,973 in 2008.

18.7 FPNF 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.¹

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

A reconciliation of FPNF contributions against salaries and wages reported in the Financial Statements revealed variances as follows:

TABLE 18.4: VARIANCE BETWEEN FPNF RECONCILIATION AND PAYROLL EXPENDITURE

Details	Amount \$
(a) Total FPNF against salaries and wages for 2008:	
FPNF as per financial statement	15,229,667.17
Less: December 2007 FPNF	2,489,570.08
	12,740,097.09
Add: December 2008 FPNF	2,582,805.44
FPNF for 2008	15,322,902.53
Gross Pay subject to FPNF (FPNF 2008 / 0.08)	191,536,281.63
(b) Salaries and Wages for 2008 subject to FPNF	
Salaries, wages and allowances as per financial statement	190,579,814.72
Less: Salaries, wages and allowances for 2008 not subject to FPNF	7,710.92
	190,572,103.80
Un-reconciled Variance	964,177.83

The above variance indicates that the FPNF have been underpaid. The Ministry could have avoided the above variance had they been more vigilant and proper supervisory controls were in place.

Recommendation

The Ministry should review its FPNF records and reconciliations and provide explanations for the variances.

Ministry's Comments

Details	Financial Statement (\$)	(\$)
SEG 1	15,044,998.00	
SEG 2	184,669.00	

¹ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

<i>Details</i>	<i>Financial Statement (\$)</i>	<i>(\$)</i>
<i>Total</i>		<i>15,229,667.00</i>
<i>LESS DECEMBER-07</i>	<i>2,582,805.44</i>	
	<i>12,646,861.56</i>	
<i>ADD DECEMBER-08</i>	<i>2,489,570.08</i>	
		<i>15,136,431.64</i>
<i>DIFFERENCE</i>		<i>93,235.36</i>

The difference comprise of FNPF refunds from FNPF Board for employers share and reversal of salary for those teachers who have migrated or terminated and or those on leave without pay.

18.8 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.²

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.³

The department failed to prepare VAT reconciliations for 2008.

However, a review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$1,316,636.85 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 18.5 below for details:

TABLE 18.5: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Details	Amount \$
Total expenditure/income as per Expenditure Statement	291,133,318.88
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	280,370,616.79
Total expenditure/income subject to VAT	10,762,702.09
Less: Total taxable supplies as per VAT Returns	9,446,065.24
Un-reconciled variance	1,316,636.85

In addition, a difference of \$531,278.12 was noted between the actual VAT payments for the year 2008 and the balance disclosed in the general ledger as reflected in Table 18.6 below.

TABLE 18.6: VARIANCE BETWEEN ACTUAL VAT PAYMENTS AND FMIS RECORDS

Details	Amount \$
VAT payments (VAT payments to FIRCA and VAT Input) as per	1,002,247.09

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

³ Finance Circular No 9/95

Details	Amount \$
Statement of Receipts and Expenditure	
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2008	470,968.97
Un-reconciled variance	531,278.12

The Ministry could have avoided the above variances had they been more vigilant and proper supervisory controls were in place.

Recommendations

- **The Ministry 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 GL.**

Ministry's Comments

VAT paid in total expenditure for 2008 was \$1,002,247.09 which comprised of

<i>Input VAT</i>	<i>\$745,700.87</i>
<i>Output VAT</i>	<i>\$256,546.22</i>

VAT Payment to FIRCA for 2008 was \$256,546.22 and not \$470,967.97 as mentioned in the draft Audit report. The figure of \$470,967.97 comprise of VAT payment for December 2008 amounting to \$217,422.75 which was paid in January 2009

AUDIT FINDINGS

HEADQUARTERS

18.9 Salary Overpayments

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.⁴ An officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice.⁵

The Ministry has a total salary overpayment of \$657,795.31 as at 31/12/08 which is still to be recovered. Refer to **Appendix 18.2** for details. In 2008, the salary overpayment amounted to \$213,226.37 of which \$130,923.40 or 61% was overpaid to staffs upon resignations and leave without pay. Refer to **Appendix 18.3** for details.

Furthermore, audit noted instances whereby a Mr. Kamal Goundar and a Ms. Lucy Nina Savu who resigned from service in 2005 continued to receive their salaries until October 2008 and were overpaid salaries of \$43,669.53 and \$44,732.09 respectively.

⁴ General Orders 222 (d)

⁵ General Orders 222 (a)

Particulars of officers leaving the services are not provided to the Salary Section on a timely manner as result overpayment of salaries continued to be made.

Recommendations

- **The Ministry should make a concerted effort to recover these overpayments and if not recovered then surcharge action to be taken against officers responsible for the overpayments.**
- **The Ministry should develop an effective and efficient communication process between the various District Education Offices and Headquarters for prompt action.**
- **Particulars of officers leaving the services should be communicated to the Salary Section on a timely manner and before an employee leaves the service.**

Ministry's Comments

The department has written to the defaulting officers who have left the service requesting payment of the overpaid salary, however, we have not been successful in recovery of the overpayments as some officers have left their last known addresses. The use of telephones, internet and fax machines have contributed in trying to minimize overpayments nonetheless there is room for improvement in communication by all concerned, both at District and Administration level. Access to the Ministry's Internal Database (FESA) may assist the Salaries Section in detecting changes in Officers' status and thus further contribute to a reduction in overpayments.

Your recommendations are acknowledged.

Additional Comments (15/09/09)

(1) TPF 68366 Kamal Goundar – Late Notification of Resignation

Head Teachers Memo dated 30/07/07 (Folio 44) received (stamped) on 02/01/08 and marked to Director Primary.

The Letter from Heat Teacher states that a letter dated 26/05/05 informs of the teacher's resignation from the service. Faxed copy of the resignation letter and covering memo from SEO Nadroga/Navosa received on 12/10/08 and 14/12/08 (folio 46 & 47).

Cessation and reversal of salary – Pay 22/08 & Pay 23/08 respectively.

Total overpaid: \$43,669.53

Amount Recovered: Nil to Date (15/09/09)

Letters sent to his last known address were returned.

Note: *Correspondence received from FTU – CTCS Between 19/01/06 – 29/08/07 indicates that he was aware of his salary being paid to him although he had resigned from the service. (Teachers acted as witness on the CTCS forms).*

(2) TPF 55068 Lucy Nina Savu – Late Notification of Resignation

Letter of resignation dated 25/01/05 was sighted by Head Teacher on 01/02/05. The letter was received by the AO Salaries on 10/07/07.

Reversal of Pay 14/07 and cessation of Pay 15/07.

Letter received from TPF 55068 Lucy Nina Savu on 09/07/07.

Teacher wishes to make payment to the Ministry and to make arrangements to do so. Salary repayment at \$300/m ceased in September 2007.

Letter dated 10/06/08 requesting repayment by TPF 55068. Letter dated 07/08/08 requesting by TPF 55068.

Total overpaid: \$44,732.09 (salary: \$36,111.61, FNPF: \$8,620.48)

Total Recovered: \$1,200.00

Fortnightly re-payment of \$300.00 by the Teacher who was employed at TPAF

Outstanding overpayment: \$43,532.09

Note: No response to the Letters sent to the ex-teacher

Salary section had taken immediate action to reverse and suspend salaries when alerted to the resignations. Information to the Salary Section needs to be instantaneous in order to reduce OP's. Districts and Primary/Secondary Admin need to re-enforce requirements to Principals and HT's.

The above cases need further investigation. Case of 68366 – his awareness of his resignation yet he continued to utilize FTU-CTCS up until 2007!

Case of 55068 – she made arrangements to repay the OP but has stopped the repayments since September 2007. We will follow up and try to locate the ex- teachers in an effort to recover the sums involved and if this fails we will notify the appropriate authorities.

18.10 Vehicle Mileage Exceeding 200,000 Kms

Ministries and Departments vehicles should be replaced after 6 years or after it has covered 200,000 kilometres whichever is earlier.⁶

The following Ministry's vehicles have exceeded the mileage of 200,000km but are still being used by the Ministry:

TABLE 18.7: VEHICLES EXCEEDING THE MILEAGE OF 200,000 KMS

Station	Vehicle No.	Year of Issue	Closing Mileage Reading (km)	2008 Fuel Cost \$	2008 Maintenance Cost \$
Culture & Heritage	GM895	2002	233,498	5,887.23	6,065.18
CDU	GM990	2000	232,283	700.00	2,000.00
CDU	GM974	1988	210,892	6,110.00	2,070.98
CDU	GN038	1988	213,712	2,500.00	531.62
RKS	GM136	1997	Not Working	1,050.00	2,665.00
RKS	GM139	1994	Not Working	960.00	2,605.00
RKS	GM140	1994	Not Working	850.00	1,040.00
RKS	GM535	1997	Not Working	1,040.00	2,920.00
RKS	GM820	2001	Not Working	1,750.00	5,350.00
QVS	GN166	2003	207,804	7,529.06	4,286.76
QVS	GM510	1998	202,702	11,197.67	2,853.27
HQ – Marela	GM357	1996	311,081	4,825.63	6,752.74
FCAE	GL762	1991	---	2,646.38	1,836.41
FCAE	GM286	1996	---	Garaged	3

⁶ Government Vehicle Policy, Cabinet Paper CP (98) 73, Section 82 (k)

Station	Vehicle No.	Year of Issue	Closing Mileage Reading (km)	2008 Fuel Cost \$	2008 Maintenance Cost \$
Library Service	GM207	1996	---	1,196.02	Garaged
Total				48,241.99	40,979.26

The above table shows that the fuel costs and the maintenance costs are high for the vehicles of which mileage is above 200,000kms. Due to lack of funds and the greater demand for transportation, the Ministry had no alternatives but to continue using these old vehicles.

Considerable savings would be made in repair and maintenance costs if these vehicles are replaced.

Recommendation

The Ministry should prepare an appropriate submission to the Ministry of Finance in view of the Government's Vehicle Replacement Policy.

Ministry's Comments

Recommendation is noted and a submission for replacement vehicles will be made in due course to Finance. In the meantime our vehicles will continue to be used as the need is great but timely repairs and maintenance will be carried out to ensure the vehicle is safe to be used.

18.11 Monitoring 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.⁷

The audit of the building grants records for the Western Division noted that none of the grant recipients have submitted their acquittal reports to the Ministry. Refer to Table 18.8 below for details.

TABLE 18.8: RECEIPTS WHO FAILED TO SUBMIT THE ACQUITTAL REPORT

School Names	Payment Date	Grant Awarded \$
Conua District	04/06/08	8,000
Nokonoko Primary	04/06/08	8,000
Ratu Apenisa Memorial	04/06/08	10,000
Lovu Sangam Primary	11/04/08	10,000
Gaunavou Primary	07/05/08	20,000
Navatu Fijian	07/05/08	8,000
Nakoroboya Primary	11/04/08	19,000
Natawa Indian	07/05/08	10,000

Inconsistent monitoring by the Asset Management Unit for the feedback or progress reports has resulted in recipients not submitting their acquittals. Such irregularity could result in the funds being unutilised for purposes other than the approved project.

⁷ Section 3.3.1 – Finance Manual 2005

Recommendation

- **The Ministry should follow up with these recipients to submit their acquittals reports.**
- **Section 3.3.1 of the Finance Manual should be strictly complied with and disciplinary or surcharge action should be taken against those Officers who do not comply with it.**

Ministry's Comments

Recommendations are noted and have written to the schools to submit acquittals and project reports.

SUVA GRAMMAR SCHOOL**18.12 Anomalies in Trust Fund Accounts**

Rules and Regulations for General Purpose Trust Fund state that payments from the fund shall comprise:

- exam fees for FJC, FSLC and Form 7;
- transport expenses for sick student;
- transport costs for educational field trips;
- expenses connected with social gathering and fundraising field trips;
- purchase of year end prizes;
- purchase of sports equipment, uniform and registration fees;
- cost of printing and publishing of school magazine; any
- any other expenses approved by the Permanent Secretary for Education.

Rules and Regulations for Caution Fee Trust Fund Account state that payments from the fund shall comprise refunds to the students, purchase of library and text books, equipment for schools, maintenance of furniture, equipment and any other payment approved by the Permanent Secretary for Education.

An approval has to be obtained from Permanent Secretary for Education for any other payments made from this account. For every purchase beyond \$1,000 prior approvals must be obtained from the Permanent Secretary for Education.

The following anomalies were noted during the audit of trust fund records:

- (i) payments were made outside the trust fund rules and regulation without the approval of the Permanent Secretary for Education for the following expenses:
 - (a) payment of wages to labourers from the General Purpose Trust Fund. Refer to Table 18.9 below for details.

TABLE 18.9: GENERAL PURPOSE TRUST FUND

Date	Cheq No.	Payee	Details	Amount \$
08/08/08	8147	Part Time Workers	Payment of Wages for 13` Labourers w.e.f 02/08/08 – 08/08/08	995.00
15/08/08	8171	Part Time Workers	Payment of Wages for 13` Labourers w.e.f 09/08/08 – 15/08/08	1,142.00

Date	Cheq No.	Payee	Details	Amount \$
20/08/08	8174	Solomoni B Mrs Mawi	Payment of Wages Payment for her mother's reguregu	71.00 100.00
22/08/08	8178	Part Time Workers	Payment of Wages for 8 Labourers w.e.f 16/08/08 – 22/08/08	757.00
27/08/08	8185	Part Time Workers	Payment of Wages for 4 Labourers	160.00
29/08/08	8191	Part Time Workers	Payment of Wages for 13` Labourers w.e.f 23/08/08 – 29/08/08	996.50
12/09/08	8216	Part Time Workers	Payment of Wages for 9 Labourers w.e.f 06/09/08 – 12/09/08	865.00
08/08/08	8147	Part Time Workers	Payment of Wages for 13` Labourers w.e.f 02/08/08 – 08/08/08	995.00
Total				5,086.50

- (b) payment of wages to Typist Assistant from the trust fund accounts. Refer to **Appendix 18.4** for details.
- (c) payment of allowance of \$20 per week to Ms. Filo who was on attachment with the school. Refer to Table 18.10 below for details.

TABLE 18.10: PAYMENT OF WEEKLY ALLOWANCE FOR MS. FOLI

Date	Cheque No.	Payee	Details	Amount \$
General Purpose Trust Fund				
01/08/08	8112	The Principal	Payment of allowance for Week 11 & 12	40
12/09/08	8220	Ms Filo	Payment of allowance for Week 2	20
19/09/08	8230	Ms Filo	Payment of allowance.	20
26/09/08	8243	The Principal	Payment of allowance for Week 4	20
03/10/08	8262	Ms Filo	Payment of allowance.	20
17/10/08	8293	Ms Filo	Payment of allowance & financial assistance	70
31/10/08	8309	Ms Filo	Payment of allowance	20
20/11/08	8351	Ms Filo	Payment of allowance	20
21/11/08	8365	Ms Filo	Payment of allowance	20
Caution Fee Trust Fund				
24/10/08	4371	Ms Filo	Payment of allowance	20
Total				270

- (d) payment of excessive Vodafone bills for the Vodafone used by the Principal. Refer to **Appendix 18.5** for details.
- (e) excessive expenditures were incurred for the official opening of the new classrooms. Refer to **Appendix 18.6** for details.

The above findings indicate that the Principal breached the rules and regulations governing the trust fund, resulting in the abuse of these trust funds.

Recommendations

- **The Ministry should investigate this matter and if warranted, surcharge action to be taken against the school Principal.**
- **Payments which are not related to the trust fund should have appropriate approval.**
- **Rules and Regulations of trust fund should be strictly complied with and disciplinary action taken against those Officers who fail to comply with it.**

School's Comments

Payments made that didn't have PSE's prior approval.

(1) *I have just assumed duties here on 18/05/09 so did not know the details especially when my predecessor has been retired and is back in his village in Nadroga.*

The School Bursar who was with the Principal told me that despite being aware that they were breaching regulations, he was in a dilemma as my predecessor had told him he was the controller of finance here so he just had to follow him.

School Audit Report File revealed that my predecessor had offered the following explanation for the same in past queries.

- *workers were unable to take the load thus our having a Typist Assistant and casual workers for the upkeep of the ground to keep it to OHS standard.*
- *work was required outside staff normal hour of work eg. Saturdays.*
- *Workers couldn't do some of the specialised work required to be done eg. removing branches of overhanging trees, digging drains, etc.*

(2) *With Ms. Filo's allowance, her explanation is attached as to what she was given the money.*

(3) *Regarding excessive use of Vodafone mobile and excessive expenditure on opening of classroom, only Mr. Kunagogo can reply to that.*

DELAINAMASI GOVERNMENT SCHOOL

18.13 Anomalies in Trust Fund Accounts

Rules and Regulations for General Purpose Trust Fund state that payments from the fund shall comprise:

- exam fees for FJC, FSLC and Form 7;
- transport expenses for sick student;
- transport costs for educational field trips;
- expenses connected with social gathering and fundraising field trips;
- purchase of year end prizes;
- purchase of sports equipment, uniform and registration fees;
- cost of printing and publishing of school magazine;
- any other expenses approved by the Permanent Secretary for Education.

Rules and Regulations for Caution Fee Trust Fund Account state that payments from the fund shall comprise:

- refunds to the students;
- purchase of library and text books, equipment for schools;
- maintenance of furniture, equipment;
- any other payment approved by the Permanent Secretary for Education.

An approval has to be obtained from Permanent Secretary for Education for any other payments made from this account. For every purchase beyond \$1,000 prior approvals must be obtained from the Permanent Secretary for Education.

Payments from the trust fund account were made outside the trust fund rules and regulation without the approval of the Permanent Secretary for Education. Refer to Table 18.11 below for details.

TABLE 18.11: GENERAL PURPOSE TRUST FUND

Date	Cheque No.	Payee	Details	Amount \$
25/01/08	001959	Telecom Fiji Ltd	December Telephone Bill	62.58
01/05/08	001964	Typist/Caretaker	Payment of wages	140.00
08/02/08	001968	Typist/Caretaker	Payment of wages	220.00
18/02/08	001973	Typist/Caretaker	Payment of wages	220.00
22/02/08	001977	Typist/Caretaker	Payment of wages	220.00
29/02/08	001983	Typist	Payment of wages	70.00
07/03/08	001986	Titilia L	Payment of wages	80.00
14/03/08	001991	Titilia L & Labourers	Payment of wages	160.00
20/03/08	001994	Titilia L & Labourers	Payment of wages	180.00
27/03/08	001996	Telecom Fiji Ltd	Telephone Bill	78.70
28/03/08	001999	Titilia L & Labourers	Payment of wages	80.00
22/04/08	002016	Telecom Fiji Ltd	Telephone Bill	23.45
20/06/08	002047	Telecom Fiji Ltd	Telephone Bill	52.00
11/07/08	002059	Riteshni Devi	Weekly wages	80.00
01/08/08	002073	Pleass Beverages	Purchase of aqua safe	136.00
01/08/08	002074	Riteshni & Labourer	Weekly wages	280.00
08/08/08	002080	Riteshni & Labourer	Weekly wages	250.00
14/08/08	002090	Labourers (2)	Weekly wages	80.00
20/08/08	002093	Petty Cash	Telecom Bill, administration	233.27
27/11/08	002150	Petty Cash	Staff Party Expenses	500.00
28/11/08	002151	Petty Cash	Weekly wages,etc	200.00
11/12/08	002155	Petty Cash	Wages for relieving typist	100.00
Total				3,446.00

The current Head Teacher and the Bursar revealed that the former Head Teacher rarely discussed these purchases during the Teacher's meeting. Other anomalies noted were as follows:

- The school was paying a monthly bank transfer of \$39.96 in the name of the former Head Teacher, Mt. Luke Tunabuna to Unwired Fiji Limited for the use of the unwired internet network. The Bursar confirmed that this internet service was solely used by the former Head Teacher.
- A payment of \$100 a month was paid to the former Head Teacher from the General Purpose Trust Fund for being refund for transportation costs. Audit was not able to authenticate these payments as no record was maintained for the trips made. As at 31/12/08, a total of \$1,000 was paid to the former Head Teacher.
- The former Head Teacher purchased 100 sweaters valued at \$2,000 from Quality Sports Manufacturing Company Ltd without the approval of the Parents Teachers Association and the school teachers. These were met from the General Purpose Trust Fund account. The audit noted that 4 cartons of sweaters are still left to be sold. Refer below for illustration.



4 cartons of unused sweaters

The audit findings indicate abuse and breach of rules and regulations governing trust fund by the former Head Teacher.

Recommendations

- **The Ministry should investigate this matter and if warranted surcharge action should be instigated against the former Head Teacher.**
- **Payments which are not related to the trust fund should have appropriate approval.**
- **Rules and Regulations of trust fund should be strictly complied with and disciplinary action taken against those Officers who fail to comply with it.**

School's Comments

There were no approvals obtained for the corresponding expenses from trust fund which were outside the guidelines and we could not obtain an explanation from the previous Head Teacher who has since retired, however from explanations obtained from the Assistant Head Teacher there was an urgent need to employ an additional typist to type out exam papers as there was a huge backlog and they were nearing the examination times and also for the caretakers and laborers who were also employed to clean up the school and compound. All these came from PTA funds.

Other anomalies are noted and queried upon and we were told that that the former Head Teacher had approved all of these himself. The sweaters are still kept in the school and because they have the school logos it was suggested that they become part of the uniform code and will be sold at \$10 each to interested parents. Recommendations are noted, the clerical assistant is now been paid by PTA.

18.14 Parents and Teachers Association (PTA) Account

Income generated, donated or granted to the school should be deposited into the General Purpose Trust Fund Account.⁸

The school has a separate Parents Teacher Association account where students pay \$50 per annum as PTA levy to replace any fundraising activity organised by the school. No written evidence was provided that the Ministry of Education had approved the levy.

The following anomalies were noted for the PTA account:

- The account has been non-operational since 2006. Bank balance was \$36,822.57 as at 31/12/08.
- There has been no PTA annual general meeting held since 2006.
- Funds collected for this account were receipted and deposited into the General Purpose Trust Fund Account.

⁸ School Trust Fund Account Regulations of 14/12/95 - General Conditions.

- No bank reconciliations carried out since 2006.

The above findings indicate poor financial management practices by the former Head Teacher.

Recommendations

- **Rules and guidelines of the usage of such fund should be strictly complied with at all times.**
- **Monthly PTA bank reconciliations should be carried out regularly.**

School's Comments

The PTA was formed in 2001 and has been defunct since 2006 thus the PTA of \$10.00 per annum had been deposited into the school's General Purpose Trust Fund Account and was used by the Head Teacher and since the PTA levy is incorporated into the school fees thus it would have had the approval of the Permanent Secretary for Education then. Shown below is the fees structure for the school:-

Admission Fees	- \$45 per annum (New Students)
T1	- \$20
T2	- \$20
T3	- \$10
PTA Levy	- \$10 per annum per family

The recommendation has been noted. The PTA has been reactivated from 2009 and proper handling of the funds will be ensured and monthly bank reconciliations will be done henceforth.

18.15 Missing Item

When any officer (Outgoing officer) hands over responsibility for public stores to another officer (incoming officer), both the incoming and outgoing officers shall jointly verify that the public stores shown in the inventory, ledger, tally cards or other records are present and if no discrepancies are found, both officers will sign a handing-over statement in triplicate.

Two (2) Tabua valued at \$440 are missing from the school. It was confirmed on 8/4/09 by the new Head Teacher that the items were not handed over to him by the former Head Teacher. Proper handing over by the former Head Teacher was not conducted as a result the Tabuas could not be located.

Recommendation

The school should make an effort to communicate with the former Head Teacher to retrieve the Tabuas and other items not handed over.

School's Comments

The previous Head Teacher has since retired and all avenues have been covered in trying to get an explanation from him about the missing items. The present head teacher has been advised to enter such items in the inventory ledger and such stores be kept in a safe place.

FIJI COLLEGE OF ADVANCED EDUCATION**18.16 Unserviceable Vehicle**

It is the responsibility of the Head of Department to ensure that board of survey are convened in respect of unserviceable vehicles, which should be promptly disposed of by auction or otherwise instead of leaving them to deteriorate in department yards. The surveys are to be arranged with the Controller of Government supplies.

The vehicle GM286 has not been utilised since 2005. Numerous letters were written to the Ministry for the trade-in of this vehicle to facilitate the purchase of a new vehicle as approved by the Minister for Finance on 11/02/05 but to no avail.

This issue has been reported in the previous audit memorandums, yet no action taken by the Ministry. The vehicle is exposed to extreme weather condition which will further deteriorate its condition, and subsequently reduce its trade-in value.

Recommendation

The Ministry should trade-in the vehicle GM286 to facilitate the purchase of a new vehicle for the College.

College's Comments

The GM286 which was approved by Ministry of Finance to be replaced (11/2/05) and still needs to be traded in to facilitate the purchase of the new vehicle for the College. The Form 7 Principal and the Permanent Secretary for Education are still negotiating the transfer of this vehicle.

NASINU SECONDARY SCHOOL**18.17 Abuse of Vehicle by the Principal**

Vehicles must only be used for official purposes unless approved in writing by the Deputy CEO or permitted under an officer's term of employment.⁹ In addition, officers using official vehicles for unauthorized purposes will be surcharged an appropriate amount and disciplined.¹⁰

Each driver must keep daily running sheets to record details of each run undertaken in any of the agency's vehicles. The running sheet shall document the details such as date and mileage at the start of the day, and runs during the day and reasons for each run.¹¹

The distance between Suva and Nausori was 18 km and the distance between Suva and Nasinu is approximately 8 km¹².

The following irregularities in the usage of vehicle GM 725 by the former Principal:

- The running sheets and the log books for the vehicle were not properly maintained. Refer below for details:
 - reason for journey not stated

⁹ Section 12.3.1 – Finance Manual 2005

¹⁰ Finance Circular 02/2000 dated 14/01/00

¹¹ Section 12.3.4 – Finance Manual 2005

¹² PSC Circular 9/2000

- driver's signature missing
 - fuel and maintenance records not entered
 - individual trip mileage not entered
- excessive mileage entered for the trips made when compared to the distance between Suva and Nasinu which is approximately 8 kms. Refer to **Appendix 18.7** for details.
 - Running sheets for days between the two mentioned dates in the table below were not provided to audit for verification. This indicates that mileages for the trips on these days were not accounted for. Refer to Table 18.12 below for details.

TABLE 18.12: UNACCOUNTED MILEAGES

Date	Meter reading at Finish (Km)	Date	Meter reading at start of the day (Km)	Variances (Km)	Rate per KM/M \$	Total Cost \$
16/01/08	152256	22/01/08	152306	50	0.62	31.00
22/01/08	152326	24/01/08	152548	222	0.62	137.64
05/02/08	152599	12/02/08	152796	197	0.62	122.14
28/03/08	153266	03/04/08	153299	33	0.62	20.46
03/04/08	153299	09/04/08	153370	71	0.62	44.02
09/04/08	153413	10/04/08	153417	3	0.62	1.86
10/04/08	153439	14/04/08	153457	18	0.62	11.16
26/04/08	153697	09/07/08	154224	527	0.62	326.74
10/07/08	154291	22/07/08	154358	67	0.62	41.54
23/07/08	154408	24/07/08	154411	3	0.62	1.86
24/07/08	154428	28/07/08	154437	9	0.62	5.58
28/07/08	154449	30/07/08	154454	5	0.62	3.10
30/07/08	154465	31/07/08	154467	2	0.62	1.24
31/07/08	154474	06/08/08	154487	13	0.62	8.06
26/08/08	154556	04/09/08	154636	80	0.62	49.60
04/09/08	154636	05/09/08	154637	1	0.62	0.62
Total				1,301		806.62

The vehicle quarterly returns were neither prepared nor submitted to Ministry of Finance.

The above indicates breach of rules and regulations governing the usage and maintenance of vehicles, resulting in the abuse of vehicles as mentioned above.

This issue has been previously reported in the audit memorandums where the vehicles were misused by the former Principal; however, no action was taken by the Ministry.

Recommendations

- **Surcharge action should be taken against the former Principal for the unaccounted mileages.**
- **Rules and Regulations governing vehicles should be strictly complied with and disciplinary action taken against those who do not comply with it.**

School's Comments

It was not possible for that matter for running sheets to be filled for the period since there was no assigned driver to be in charge for the vehicle and thus Principal has to take charge of the vehicle responsibilities, even vehicle registration and vehicle servicing had to be carried out by the former Principal with the absence of proper personnel to take care of the school vehicle.

18.18 Urgent Maintenance of Boys' Dormitory

Every employer shall ensure the health and safety at work of all his or her employees. Moreover, employees are not exposed to risks to their health or safety while they are at his/her workplace. Employers are to provide and maintain a working environment that is safe and without risks to health and adequate as regards to facilities for their welfare at work.¹³

The student's living environment (dormitory) is in a poor condition and is not in compliance with the OHS regulations. Refer below for details.

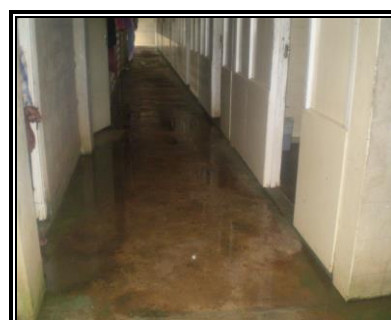
- The toilets and bathrooms facilities were not in a good state.
- Sink water knobs had not been working for a while resulting in overflowing of water in the corridor.
- Three boys dormitory were in a dilapidated state, resulting in the non-occupation of the dormitory. This was directed by the school management.



Washroom water knob



over flowing of water in the sink



Flooded hallway



Boys' bathroom



Room/Cube 4 damaged ceiling



Room/Cube 4 damaged floor

The last maintenance of the school was carried out in 2003.

The students are accommodated under very unhealthy environment and the environment exposes the Ministry to lawsuits and penalties for non-compliance with the OHS Act.

Recommendation

- **The School should ensure that a safe living environment is provided to students.**
- **OHS regulations should be strictly complied with.**

¹³ Occupational Health & Safety at Work Act, Section 9 & 10

School's Comments

After the visit from the Audit Team, the school has taken steps to rectify the situation. PWD Maintenance Team have visited the school, minor repairs have been carried out and we are liaising with the ministry officials for a proper maintenance to be carried out in the school.

QUEEN VICTORIA SCHOOL

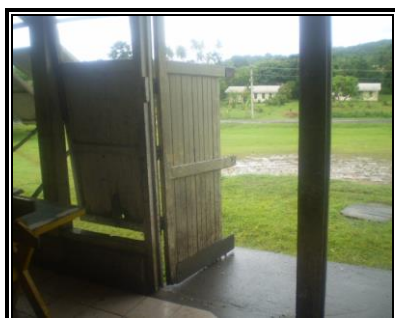
18.19 Poor State of Student's Dining Hall

Every employer shall ensure the health and safety at work of all his or her employees. Moreover, employees are not exposed to risks to their health or safety while they are at his/her workplace. Employers are to provide and maintain a working environment that is safe and without risks to health and adequate as regards to facilities for their welfare at work.¹⁴

The student's dining hall is in a very poor state and is not in compliance with the OHS regulations. Refer below for details.

- Entrance door could not be locked.
- Unhealthy state of the dining hall tables.
- Deteriorating ceiling.
- Broken dining hall floor tiles.
- Broken louvers and ceiling.
- Non conducive state outside dining hall.

Refer to the photographic illustrations below.



Unlock door



Poor state of dining room



Deteriorating ceiling



Broken tiles in dining hall



Broken louvers and ceiling



Filthy state outside the dining hall

¹⁴ Occupational Health & Safety at Work Act, Section 9 & 10

The current state of the dining hall is not conducive to healthy living and will affect the students' health and exposes the Ministry to lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- **The School should ensure that a safe dining environment is provided to students.**
- **OHS regulations should be strictly complied with.**

School's Comments

The school has done its best for the maintaining of the dining hall and ensuring that its surrounding environment are safe for the students. But, the present dining hall is in dire need for major repairs and maintenance.

The school has made submissions of reports and proposal for a new dining hall and kitchen complex and is still awaiting assistance.

For further clarifications, please do not hesitate to contact the undersigned.

RATU KADAVULEVU SCHOOL

18.20 Poor State of the Kitchen

Every employer shall ensure the health and safety at work of all his or her employees. Moreover, employees are not exposed to risks to their health or safety while they are at his/her workplace. Employers are to provide and maintain a working environment that is safe and without risks to health and adequate as regards to facilities for their welfare at work.¹⁵

The school's kitchen is in a poor state and is not in compliance with the OHS regulations. Refer to the illustration below.



Uncovered food in the kitchen



filthy state of the cooking area

It was also noted that the food were left uncovered and the food items were left open in the storeroom.

Food preparation is done in a very unhygienic environment which will affect students' health and exposes the Ministry to lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- **The School should ensure that the kitchen is kept safe and clean.**
- **OHS regulations should be strictly complied with.**

¹⁵ Occupational Health & Safety at Work Act, Section 9 & 10

School's Comments

The school will look for funds to cater for this. We will also try to negotiate with OHS Committee for available avenues which may help and improve the poor state of our kitchen.

DIVISIONAL EDUCATION OFFICE – NORTHERN

18.21 Anomalies in Building Grant Awards

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.¹⁶

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.

In addition, 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).

The following anomalies were noted during the audit of assistance provided to a sample of projects approved by the Capital Projects Committee, headed by the Deputy Secretary.

(1) Naduri District School

The school was awarded a building grant of \$10,000 for the upgrading works on the main school building. 100% of the grant was paid to the school on 07/05/08.

Contrary to the above regulations, audit noted the following:

- Instead of initial 80%, 100% of the grant was paid to the school.
- No acquittal report was prepared by the school.
- The project was not monitored by the Head Teacher.
- The Project contractor is unknown as inadequate records were provided in the school file kept at the Divisional Office and the Headquarters.

(2) Duavata District School

A building grant of \$3,000 was awarded to the school for the purchase of double bunks. 100% of the grant was paid to the school on 17/06/08.

¹⁶ Building Grants Regulation 1995 (Revised).

There was no record of project acquittal report in the school file.

(3) Navatu Junior Secondary School

The school was awarded a building grant of \$49,000 for the construction of a Science Lab and 1 x 2 teacher's quarter of which 80% (\$39,200) of the approved grant was paid on 08/11/06.

Prior to this project, the school was also awarded a building grant of \$23,000 for the construction of the boy's new hostel of which 80% (\$18,400) was paid on 06/11/06. The other 20% grant is still outstanding and could not be paid to the school as no completion certificate was provided.

During a site visit on 29/1/09 it was noted that since 2006, the teacher's quarter was only 80% completed. Refer to the pictures below.



Incomplete Teacher's Quarters



Backyard where pieces of wood are lying



Front yard of the quarters

It was revealed by the school Manager that the grants were also used for other urgent school needs and were replaced by student fundraising activities. This indicates that the extra financial burden was imposed on the parents in order to complete the project.

Despite the replacement of the funds used, the teacher's quarter remained incomplete.

(4) Naruwai Village Kindergarten

The school was awarded a building grant of \$3,000 for the upgrading of school facilities such as classroom and toilet.

The audit could not ascertain when and how much of the approved grant was actually paid to the school as the school file could not be located at the Headquarters.

(5) Bua Central College

In 2005, the college was awarded a building grant of \$60,000 for the construction of a new hostel of which 80% (\$48,000) was paid on 05/05/05.

On 16/03/09, the new Principal, Mr. Nemani, through a phone conversation confirmed that the project has been 90% since 2005. It was also revealed that no proper handing over was done by the former Principal for this project.

There have been indicate blatant disregard of Building Grant Regulations and lack of coordination between the Asset Management Unit of the Ministry and the Divisional Education Offices. As a consequence funds were exhausted while the projects have remained incomplete.

Furthermore, there was no evidence of any contribution from the schools which contradicts the undertaking by the school (that they had funds to complete the project) prior to the payment of grants. This has delayed the payment of the remaining balance of the grant.

Recommendations

- **Building grant regulation should be strictly complied with.**
- **The Ministry should carry out proper assessments and costing to ensure that schools have sufficient funds to complete the projects prior to the payment of grants.**
- **Surcharge actions should be taken against officers responsible for releasing funds without meeting the criteria as grants have not been acquitted or used for intended purposes.**
- **The Ministry should ensure that necessary documents such as building plans, completion dates, progress reports, and completion certificates are made available for audit purposes.**

School's Comments

Bua Central College

The work on the new hostel is 99% completed. The Military engineers are currently working on the project. The new dorm will be completed once electricity and water is installed. It shall be done this week and the handing over certificate will be given by the engineers this week.

The Principal will write a complete report with all documents attached once the handing over is done. This will be completed by 26th June, 2009.

Navatu Junior Secondary School

Science Lab and Teachers Quarters

The Science Laboratory is currently in use after it was officially opened in 2007. The teacher's quarters is completed and is currently occupied after the approval of the Health Inspector. The Ministry of Health is yet to forward the completion certificate after his approval first.

Girls New Dormitory

The school was initially given \$23,000.00 to complete the girl's dormitory which was not sufficient to complete the project fully. The school management ventured on and completed the project worth \$65,000.00 in total cost. The project was completed at the end of 2006 and the completion certificate was forwarded to the Ministry (AMU).

Naduri District School

The school was given \$10,000.00 for the upgrading work. RFMF engineers were the contractor. The project began on 19th August 2008 and completed on 16th September 2008.

<i>Total Grant used</i>	-	<i>\$9,588.04</i>
<i>Balance of Grant in the Development Account</i>	-	<i>\$152.91</i>

Part of the fund of \$259.95 was used by the management for the cartage of building materials from Labasa to Naduri District School. The management paid \$1,000.00 to the RFMF engineers for the work done and also to assist in their meals.

Please also note that their project monitoring report was submitted to the office monthly.

Duavata District School

The above school was awarded \$3,000.00 for the purchase of 40 single beds at Home Furnishing Builders Hardware on 28/08/09.

On 29/09/08 40 beds was delivered to Duavata District School.

Financial Report

Cost of beds	-	\$2,320.00
Transport Labasa/Lakeba	-	\$300.00
Transport Lakeba/Duavata	-	\$400.00
Total	-	\$3,020.00

Naruwai Village Kindergarden

The above kindergarden received \$3,000.00 for the upgrading of school facilities and toilet. The school committee has built a new classroom with a total cost of \$6,000.00. The remaining \$3,000.00 was given by the management. At the moment they have finished with the foundation and frame of the house and it will be completed in two weeks time. They have also attached their financial report and all the invoices used.

Appendix 18.1: Statement of Output Costs**Portfolio Leadership Policy Advice and Secretariat Support 2008**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	21,781,836	21,348,986
Unestablished Staff	723,015	764,459
Travel & Communication	153,645	142,586
Maintenance & Operations	545,866	484,753
Purchase of Goods & Services	1,005,229	842,263
Operating Grants & Transfers	32,657,691	31,549,078
Special Expenditures	186,126	220,867
Total Operating Costs	57,053,408	55,352,993
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	16,715
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	16,715
Value Added Tax	308,470	3,017,515
TOTAL EXPENDITURE	57,361,878	58,387,223

Education and Training Early Childhood Education 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	603,494	663,875
Unestablished Staff	80,068	83,620
Travel & Communication	16,414	17,023
Maintenance & Operations	32,303	30,175
Purchase of Goods & Services	138,656	116,401
Operating Grants & Transfers	2,173,514	2,141,929
Special Expenditures	107,293	42,130
Total Operating Costs	3,151,742	3,095,153
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	99,973
Total Capital Expenditures	---	99,973
Value Added Tax	35,761	119,153
TOTAL EXPENDITURE	3,187,503	3,314,279

Education and Training Primary Schools 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	100,821,887	101,523,859
Unestablished Staff	191,655	186,093
Travel & Communication	249,890	277,317
Maintenance & Operations	44,498	42,949
Purchase of Goods & Services	506,406	436,340
Operating Grants & Transfers	7,004,989	6,259,197
Special Expenditures	179,601	199,595
Total Operating Costs	108,998,926	108,925,350
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	499,148	396,361
Total Capital Expenditures	499,148	396,361
Value Added Tax	110,686	12,833,269
TOTAL EXPENDITURE	109,608,760	122,154,980

Education and Training Secondary Schools 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	75,165,727	73,879,392
Unestablished Staff	1,359,212	1,384,147
Travel & Communication	181,663	148,236
Maintenance & Operations	257,726	249,538
Purchase of Goods & Services	1,840,219	1,661,201
Operating Grants & Transfers	10,456,842	9,986,155
Special Expenditures	9,270	9,783
Total Operating Costs	89,270,659	87,318,452
Capital Expenditure		
Capital Construction	1,517,285	1,037,536
Capital Purchases	---	13,364
Capital Grants & Transfers	1,245,258	1,155,689
Total Capital Expenditures	2,762,543	2,206,589
Value Added Tax	292,004	10,902,156
TOTAL EXPENDITURE	92,325,206	100,427,197

Education and Training Tertiary

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	433,101	455,339
Unestablished Staff	13,721	12,635
Travel & Communication	11,210	8,885
Maintenance & Operations	30,508	26,557
Purchase of Goods & Services	43,246	41,751
Operating Grants & Transfers	2,036,953	2,009,530
Special Expenditures	9,270	9,783
Total Operating Costs	2,578,009	2,564,480
Capital Expenditure		
Capital Construction	166,503	200,000
Capital Purchases	---	---
Capital Grants & Transfers	4,353,991	3,391,000
Total Capital Expenditures	4,520,494	3,591,000
Value Added Tax	10,491	69,369
TOTAL EXPENDITURE	7,108,994	6,224,849

Provision of Library Services to Schools 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	341,073	365,038
Unestablished Staff	71,986	60,836
Travel & Communication	12,796	12,260
Maintenance & Operations	35,845	30,544
Purchase of Goods & Services	140,850	141,051
Operating Grants & Transfers	1,578,685	1,541,930
Special Expenditures	9,270	9,783
Total Operating Costs	2,190,505	2,161,442
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	23,132	77,439
TOTAL EXPENDITURE	2,213,637	2,238,881

Consulting Services Advisory Services to School 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	719,578	728,106
Unestablished Staff	54,379	57,495
Travel & Communication	30,122	16,778
Maintenance & Operations	30,684	28,930
Purchase of Goods & Services	170,137	163,706
Operating Grants & Transfers	1,670,339	1,635,450
Special Expenditures	9,270	9,783
Total Operating Costs	2,684,509	2,640,248
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	26,851	125,600
TOTAL EXPENDITURE	2,711,360	2,765,848

Consulting Services Student Careers Counselling 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	225,361	238,577
Unestablished Staff	29,770	25,324
Travel & Communication	10,278	9,483
Maintenance & Operations	30,722	26,392
Purchase of Goods & Services	63,435	61,293
Operating Grants & Transfers	1,670,339	1,635,450
Special Expenditures	9,270	9,783
Total Operating Costs	2,039,175	2,006,302
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	12,566	46,357
TOTAL EXPENDITURE	2,051,741	2,052,659

External Examination Services 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	527,021	581,710
Unestablished Staff	20,534	18,563
Travel & Communication	15,546	15,983
Maintenance & Operations	30,487	26,931
Purchase of Goods & Services	929,819	724,652
Operating Grants & Transfers	1,578,685	1,541,930
Special Expenditures	9,270	9,783
Total Operating Costs	3,111,362	2,919,552
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	85,599	172,345
TOTAL EXPENDITURE	3,196,961	3,091,897

Education and Training Special Schools 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,679,499	1,751,819
Unestablished Staff	4,107	3,713
Travel & Communication	12,136	12,894
Maintenance & Operations	29,619	25,877
Purchase of Goods & Services	191,952	156,066
Operating Grants & Transfers	2,014,985	1,921,058
Special Expenditures	9,270	9,783
Total Operating Costs	3,941,568	3,881,210
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	21,497	413,683
TOTAL EXPENDITURE	3,963,065	4,294,893

Education & Training Primary Schools Radio Broadcasts 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	225,238	238,577
Unestablished Staff	10,053	10,190
Travel & Communication	7,946	8,455
Maintenance & Operations	28,853	25,504
Purchase of Goods & Services	27,766	26,675
Operating Grants & Transfers	1,578,685	1,541,930
Special Expenditures	9,270	9,783
Total Operating Costs	1,887,811	1,861,114
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	7,507	39,898
TOTAL EXPENDITURE	1,895,318	1,901,012

Education & Training Secondary Schools Radio Broadcasts 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	130,158	135,956
Unestablished Staff	10,053	10,190
Travel & Communication	4,816	5,317
Maintenance & Operations	27,380	24,386
Purchase of Goods & Services	27,278	26,104
Operating Grants & Transfers	1,578,685	1,541,930
Special Expenditures	9,270	9,783
Total Operating Costs	1,787,640	1,753,666
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	6,789	26,467
TOTAL EXPENDITURE	1,794,429	1,780,133

Indigenous Development Education Support 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	266,935	265,220
Unestablished Staff	13,103	11,876
Travel & Communication	6,971	6,418
Maintenance & Operations	28,527	24,998
Purchase of Goods & Services	64,170	71,869
Operating Grants & Transfers	1,670,339	1,635,450
Special Expenditures	9,270	9,783
Total Operating Costs	2,059,315	2,025,614
Capital Expenditure		
Capital Construction	336,822	221,944
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	336,822	221,944
Value Added Tax	41,416	43,286
TOTAL EXPENDITURE	2,437,553	2,290,844

Preservation of National and Cultural Heritage 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	149,343	---
Unestablished Staff	4,118	---
Travel & Communication	9,195	---
Maintenance & Operations	8,538	---
Purchase of Goods & Services	17,077	---
Operating Grants & Transfers	92,814	---
Special Expenditures	---	---
Total Operating Costs	281,085	---
Capital Expenditure		
Capital Construction	88,889	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	88,889	---
Value Added Tax	15,203	---
TOTAL EXPENDITURE	385,177	---

Cultural Enhancement Programme 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	149,343	---
Unestablished Staff	4,118	---
Travel & Communication	9,195	---
Maintenance & Operations	8,538	---
Purchase of Goods & Services	17,077	---
Operating Grants & Transfers	552,189	---
Special Expenditures	---	---
Total Operating Costs	740,460	---
Capital		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	147,000	---
Total Capital Expenditures	147,000	---
Value Added Tax	4,275	---
TOTAL EXPENDITURE	891,735	---

Appendix 18.2: Outstanding Salary Overpayments from 1988 to 2008

Year	Outstanding Overpayments \$
1988	458.88
1992	4,338.84
1994	3,489.43
1995	8,742.11
1996	873.13
1997	1,348.55
1998	4,125.13
1999	4,301.11
2000	37,285.94
2001	16,090.04
2002	16,738.84
2003	5,335.10
2004	53,753.49
2005	24,771.71
2006	37,970.60
2007	224,946.04
2008	213,226.37
Total	657,795.31

Appendix 18.3: Salary Overpayments in 2008 due to Resignations and Leave Without Pay

Name	TPF No.	Gross Overpayment \$	Reason
Shashi. A. Ram	81372	959.22	Resign wef 31/12/07 Salary cessation wef 01/01/08
Akuila Robanakadavu	68691	13,072.42	Resign wef 26/02/07 Salary cessation wef 15/01/08. No record of resignation letter in the TPF file
Raijeli Talei	69324	82.28	Excessive compassionate leave
Kamini. L. Sharan	65923	971.38	Resign wef 20/01/08 Salary cessation wef 11/02/08.
Julia	69023	186.64	No forwarding address in the TPF file
Razia Bibi	68610	219.44	Resign wef 08/02/08 Salary cessation wef 26/02/08
Avinesh Prasad	80275	162.36	Resigned wef 20/02/08 Salary cessation on 11/03/08
Sofia L Sing	82160	1,246.96	Resign wef 21/01/08 Salary cessation 27/03/08
Virendra Prasad	82040	121.73	Resigned wef 18/01/08 Salary cessation wef 21/01/08
Praneel Prakash	69778	380.80	Leave without pay wef 07/04/08. Cessation wef 22/04/08
Herbert Hazelman	68561	128.61	Deemed resignation. Officer not reporting for duties. Letters written to the officer on 08/05/08 and 04/06/08.
Rukshana. J. Khan	66452	929.16	Officer went on LWOP but later submitted Resignation wef 21/02/08
Marie-Lois Nakaora	81262	722.99	Resigned wef 11/02/08. Salary cessation on 25/03/08. Overpayment deducted at \$1/fn wef pay 13/08 from TPF 07852 (father of the officer).
Lele Nawalowalo	62403	357.51	Resigned wef 18/05/08. Salary cessation wef 20/05/08. Letters written to the officer.
Fay Volatabu	56511	5,842.52	Study Leave without Pay wef 21/01/08. Salary cessation wef 06/05/08
Shyam Narayan	42938	1,909.34	Resigned wef 04/12/07 Salary cessation wef 19/11/07
Naboutuiloma Komaisavai	80431	14,292.24	Resigned wef 18/10/05 Salary cessation wef 15/07/06.
Ponipate Kabu	66182	162.36	Resigned wef 16/05/08 Salary cessation wef 20/05/08.
Lucy Nina Savu	55068	44,732.09	Resign wef 25/01/05. Late notification of resignation on 16/07/07.
Chandra K Prasad	68458	38.09	Resigned wef 22/09/08 Salary cessation wef 23/09/087
Kamal Gounder	68366	43,669.53	Resign wef 26/08/05 Cessation wef 21/10/08
Ashok Kumar	81138	54.80	Resigned wef 30/06/08 Salary cessation wef 01/10/08
Mikaele Ratusili	65535	243.63	Resigned on 13/05/08. Salary cessation on 19/06/08.
Shree Radhie Kumar	80253	105.83	Resigned wef 16/12/08 Salary cessation on 18/12/08.
Michael Dayal	81603	331.47	Resigned wef 21/07/08 Salary cessation on 29/07/08.

Name	TPF No.	Gross Overpayment \$	Reason
Total		130,923.40	

Appendix 18.4: Payment of Wages to Typist Assistants

General Purpose Trust Fund

Date	Cheque No.	Payee	Details	Amount \$
01/08/08	8110	Luisa A	Payment of wages for general assistant w.e.f 28/07/08 – 01/08/08	100
08/08/08	8144	Luisa A	Payment of wages for general assistant w.e.f 04/08/08 – 08/08/08	100
29/08/08	8190	Luisa A	Payment of wages for general assistant w.e.f 25/08/08 – 29/08/08	100
05/12/08	8394	Naomi T (recruited during the school holidays to assist the Typist and General Assistant)	Payment of wages for general assistant w.e.f 01/12/08 – 05/12/08	60
15/12/08	8403	Naomi T	Payment of wages for general assistant	50
19/12/08	8408	Naomi T	Payment of wages for general assistant	60
Total				470

Caution Fee Trust Fund

Date	Cheque No.	Payee	Details	Amount \$
15/08/08	4334	Luisa A	Payment of wages for general assistant w.e.f 11/08/08 – 15/08/08	100
22/08/08	4335	Luisa A	Payment of wages for general assistant w.e.f 18/08/08 – 22/08/08	100
05/09/08	4337	Luisa A	Payment of wages for general assistant w.e.f 01/09/08 – 05/09/08	100
12/09/08	4340	Luisa A	Payment of wages for general assistant w.e.f 01/09/08 – 05/09/08	100
19/09/08	4349	Luisa A	Payment of wages for general assistant w.e.f 15/09/08 – 19/09/08	100
26/09/08	4353	Luisa A	Payment of wages for general assistant w.e.f 22/09/08 – 26/09/08	100
03/10/08	4357	Luisa A	Payment of wages for general assistant w.e.f 29/09/08 – 03/10/08	100
09/10/08	4360	Luisa A	Payment of wages for general assistant w.e.f 06/10/08 – 10/10/08	100
17/10/08	4366	Luisa A	Payment of wages for general assistant w.e.f 06/10/08 – 10/10/08	100
24/10/08	4368	Luisa A	Payment of wages for general assistant w.e.f 20/10/08 – 24/10/08	100
07/11/08	4388	Luisa A	Payment of wages for general assistant w.e.f 03/11/08 – 07/11/08	100
14/11/08	4388	Luisa A	Payment of wages for general assistant w.e.f 03/11/08 – 07/11/08	100
21/11/08	4399	Luisa A	Payment of wages for general assistant w.e.f 10/11/08 – 14 11/08	100
28/11/08	4411	Luisa A	Payment of wages for general assistant w.e.f	100

Date	Cheque No.	Payee	Details	Amount \$
			24/11/08 – 28/11/08	
05/12/08	4429	Luisa A	Payment of wages for general assistant w.e.f 01/12/08 – 05/12/08	100
08/12/08	4438	Luisa A	Payment of wages for general assistant w.e.f 08/12/08 – 12/12/08	100
19/12/08	4448	Luisa A	Payment of wages for general assistant w.e.f 15/12/08 – 19/12/08	100
24/12/08	4452	Luisa A	Payment of wages for general assistant w.e.f 22/12/08 – 26/12/08	100
Total				1,800

Appendix 18.5: Payment of Vodafone Bills

General Purpose Trust Fund

Date	Cheque No.	Payee	Details	Amount \$
20/03/07	7484	Vodafone Fiji Ltd	Payment of Vodafone bills	72.27
27/06/07	7322	Vodafone Fiji Ltd	Payment of Vodafone bills	282.00
16/04/08	7807	Vodafone Fiji Ltd	Payment of Vodafone bills	195.20
15/05/09	7882	Vodafone Fiji Ltd	Payment of Vodafone bills	234.27
26/08/08	8183	Vodafone Fiji Ltd	Payment of Vodafone bills for the month of July	229.41
22/09/08	8235	Vodafone Fiji Ltd	Payment of Vodafone bills for the month of Sept	328.80
23/10/08	4375	Vodafone Fiji Ltd	Payment of Vodafone bills for the month of Oct	229.44
20/11/08	8352	Vodafone Fiji Ltd	Payment of Vodafone bills for the month of Nov	318.23
21/11/08	8365	The Principal	Repair of school's Vodafone	44.00
Total				1,933.62

Caution Fee Trust Fund

Date	Cheque No.	Payee	Details	Amount \$
22/01/07	3373	Vodafone Fiji Ltd	Payment of Vodafone bills	104.33
21/02/07	3467	Vodafone Fiji Ltd	Payment of Vodafone bills	81.51
13/04/07	3774	Vodafone Fiji Ltd	Payment of Vodafone bills	75.65
15/05/07	3823	Vodafone Fiji Ltd	Payment of Vodafone bills	100.67
14/06/07	3892	Vodafone Fiji Ltd	Payment of Vodafone bills	119.25
16/07/07	3965	Vodafone Fiji Ltd	Payment of Vodafone bills	127.55
16/07/07	3966	Vodafone Fiji Ltd	Payment of Vodafone bills	282.00
13/08/07	4004	Vodafone Fiji Ltd	Payment of Vodafone bills	153.19
13/09/07	4025	Vodafone Fiji Ltd	Payment of Vodafone bills	160.29
15/10/07	4060	Vodafone Fiji Ltd	Payment of Vodafone bills	121.35
20/11/07	3518	Vodafone Fiji Ltd	Payment of Vodafone bills	114.09
19/12/07	3580	Vodafone Fiji Ltd	Payment of Vodafone bills	93.68
24/01/08	3642	Vodafone Fiji Ltd	Payment of Vodafone bills	150.89
18/02/08	4119	Vodafone Fiji Ltd	Payment of Vodafone bills	203.15
19/03/08	4203	Vodafone Fiji Ltd	Payment of Vodafone bills	143.87
17/06/08	4292	Vodafone Fiji Ltd	Payment of Vodafone bills	207.99
21/07/08	4327	Vodafone Fiji Ltd	Payment of Vodafone bills	201.77

Date	Cheque No.	Payee	Details	Amount \$
Total				2,441.23

Appendix 18.6: Excessive Expenditures – Opening of a Classroom

General Purpose Trust Fund

Date	Cheque No.	Payee	Details	Amount \$
01/10/08	8255	The Principal	Purchase of grog for hospitality to PWD staff	20.00
02/10/08	8257	The Principal	Purchase of tea to farewell PWD staff	84.00
03/10/08	8259	The Principal	Purchase of tabua for presentation to the opening of classroom	100.00
03/10/08	8260	The Principal	Purchase of yards of sulu for the official handing over of keys	390.00
06/10/08	8267	Premium Kava	Purchase of grog	100.00
17/10/08	8291	Salote	Purchase of tabua for presentation to the opening of classroom	200.00
21/10/08	8298	Mr.Gukirewa	Purchase of tabua for presentation to the opening of classroom	200.00
22/10/08	8299	The Principal	Purchase of tabua for presentation to the opening of classroom	100.00
23/10/08	8303	HOD Pamac	Purchase of tea ingredients	190.00
23/10/08	8304	The Principal	Purchase of tabua for presentation to the opening of classroom	150.00
23/10/08	8305	RKS	Payment for 1 pig for the magiti	140.00
Total				1,674.00

Caution Fee Trust Fund

Date	Cheque No.	Payee	Details	Amount \$
02/10/08	4356	The Principal	Purchase of chief guest's salusalu	70.00
24/10/08	4372	Jeff Electronics	Video shooting and hire of sound system	150.00
27/10/08	4373	Premium Kava	Purchase of grog	50.00
27/10/08	4374	The Principal	Official opening expenses	96.50
Total				366.50

Appendix 18.7: Details of Abuse of Vehicle by the former Principal

Date	Journey	Trip Mileage (Km)	Remarks
25/09/07	NSS to Vatuwaqa NSS to Marela NSS to Raiwaqa	55	<ul style="list-style-type: none"> No reason for Journey stated No driver's signature. Individual mileage not recorded Excessive runs.
01/10/07	NSS to Marela NSS to Raiwaqa NSS to FSM	31	<ul style="list-style-type: none"> No driver's signature. Individual mileage not recorded Excessive runs.
02/10/07	NSS to Marela	14	<ul style="list-style-type: none"> No driver's signature. Individual mileage not recorded Excessive runs.

Date	Journey	Trip Mileage (Km)	Remarks
04/10/07	NSS to Parliament NSS to Vatuwaqa	44	<ul style="list-style-type: none"> • No driver's signature • Individual mileage not recorded • Excessive runs.
05/10/07	NSS to Marela	18	<ul style="list-style-type: none"> • No driver's signature • Individual mileage not recorded
09/10/07	NSS to???	38	<ul style="list-style-type: none"> • No reason for Journey stated • No driver's signature • Excessive runs.
12/10/07	NSS to Suva	45	<ul style="list-style-type: none"> • No driver's signature • Individual mileage not recorded • Excessive runs.
17/10/07	NSS to Nasole then Raiwaqa	17	<ul style="list-style-type: none"> • No reason for Journey stated • No driver's signature • Individual mileage not recorded • Excessive runs.
18/10/07	NSS to Nasole,Nabua then to Raiwaqa	35	<ul style="list-style-type: none"> • No driver's signature • Individual mileage not recorded • Excessive runs.
23/10/07	NSS to Raiwaqa	46	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature • Excessive runs.
31/10/07	NSS to Marela	18	<ul style="list-style-type: none"> • No driver's signature • Individual mileage not recorded • Excessive runs.
05/11/07	NSS to Marela	37	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature • Individual mileage not recorded • Excessive runs.
06/11/07	NSS to FSM,Marela, Nadera,Valelevu	43	<ul style="list-style-type: none"> • No driver's signature • Individual mileage not recorded • Excessive runs.
07/11/07	NSS to Selbourne St	43	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature • Excessive runs.
14/11/07	NSS to FSM	92	<ul style="list-style-type: none"> • No drivers signature • Individual mileage not recorded
26/11/07	NSS to Valelevu, Marela	24	<ul style="list-style-type: none"> • No driver's signature. • Individual mileage not recorded • Excessive runs.
26/11/07	NSS to Vatuwaqa	62	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature • Excessive runs.
05/12/07	NSS to Nausori	27	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature • Individual mileage not recorded • Excessive runs.
07/01/08	NSS to Marela	23	<ul style="list-style-type: none"> • No driver's signature • Excessive runs.
09/01/08	NSS to Makoi	88	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature • Excessive runs.
10/01/08	NSS to Cunningham	10	<ul style="list-style-type: none"> • No reason for Journey Stated • No driver's signature

Date	Journey	Trip Mileage (Km)	Remarks
			<ul style="list-style-type: none"> Excessive runs.
22/01/08	NSS to Marela	20	<ul style="list-style-type: none"> No driver's signature Excessive runs.
24/01/08	NSS to Marela	30	<ul style="list-style-type: none"> No reason for Journey Stated No driver's signature Excessive runs.
05/02/08	NSS to Vatuwaqa NSS to Marela	21	<ul style="list-style-type: none"> No reason for Journey Stated No driver's signature Excessive runs.
12/02/08	NSS to Marela NSS to Vinod Pate; NSS to Kasabias NSS to Suva	368	<ul style="list-style-type: none"> No reason for Journey Stated No driver's signature. Excessive runs.
28/03/08	NSS to Stadium NSS to MOE NSS to Valelevu	63	<ul style="list-style-type: none"> No driver's signature. Excessive runs.
03/04/08	NSS to Marela	19	<ul style="list-style-type: none"> No driver's signature Excessive runs.
10/04/08	NSS to Marela NSS to USP	22	<ul style="list-style-type: none"> No driver's signature Excessive runs.
14/04/08	NSS to Kalabu, Nadera, Tacirua, Walu Bay, Marela, PSC, USP	85	<ul style="list-style-type: none"> Excessive runs
17/04/08	NSS to Raiwai, Govt Bldg	33	<ul style="list-style-type: none"> Excessive runs
21/04/08	NSS to Marela	86	<ul style="list-style-type: none"> No driver's signature Excessive runs.
26/04/08	NSS to Stadium	36	<ul style="list-style-type: none"> No driver's signature Excessive runs.
09/07/08	NSS to Cunningham NSS to Marela	33	<ul style="list-style-type: none"> No reason for Journey Stated Excessive runs.
10/07/08	NSS to Marela	34	<ul style="list-style-type: none"> No reason for Journey Stated Excessive runs
22/07/08	NSS to Exam Office	19	<ul style="list-style-type: none"> Excessive runs
23/07/08	NSS to Ahmadiyya Muslim College, PWD Walu Bay	31	<ul style="list-style-type: none"> Excessive runs
07/08/08	NSS to Vatuwaqa	27	<ul style="list-style-type: none"> No driver's signature Excessive runs
26/08/08	NSS to Walu Bay	30	<ul style="list-style-type: none"> No driver's signature Excessive runs
09/09/08	NSS to Vatuwaqa	20	<ul style="list-style-type: none"> Excessive runs

Section 19 Ministry of Health, Women and Social Welfare

Role and Responsibilities

The Ministry of Health shall provide health services with the commitment that it is the right of everyone in the Republic of Fiji, irrespective of race, sex, colour, creed, financial circumstances or poverty to have a national health system which provides a high quality health service to the maximum extent possible within the available resources.

The delivery of health services is divided into two clear distinct divisions;

- the Primary Health Care Services and;
- the Curative (Hospital) Health Care Services.

The main objective of the Primary and Preventive Health Services is to enhance the promotion of health and well-being, protection of life and prevention of diseases, injury and substance abuse. The main objective of the Curative (Hospital) Health Care Services is to ensure that the standardised basic diagnostic and treatment facilities for common disease problems are readily available near to where people live, are responsive to patients' needs are affordable and that they are closely integrated with community rehabilitative services to ensure continuity of patient care.

Health services are expected to change significantly over the next few years.

- Firstly, a decentralisation of the management of health services will take place under the Fiji Health Management Reform Project.
- Secondly, financing options and arrangements which may include National Insurance Scheme, the revision of hospital fees, privatisation and contractualisation.

For 2008, the Ministry continued to concentrate its efforts in human resources management and development; reorganising/ reforming of the health services; standards and quality; performance/ output based financial management system and resource allocation; Health Management Information System; health financing and cost sharing; public relations strategies and facilities development .

The Department of Women and Social Welfare shall eradicate poverty through providing welfare support to the poor, empowerment of women and gender mainstreaming and coordination of services to the disabled. The Department has four output groups – Ministerial and Corporate Services, Social Welfare Services, Gender Development and Poverty Eradication Unit.

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CONSOLIDATED FINANCIAL STATEMENT

19.1 Audit Opinion

The audit of the 2008 accounts of the Ministry of Health, Women and Social Welfare resulted in the issue of a qualified audit report.

The qualifications are as follows:

- (a) The Ministry has prescribed its expenditures in accordance with the activities in the Budget Estimates 2008 and named them as Statements of Output Costs whereas the Budget Estimates prescribes fourteen outputs.
- (b) The amounts reflected in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to express an opinion on the accuracy of the expenditures incurred by the Ministry under each of the outputs.
- (c) A Statement of Losses and Trust Account Statement of Receipts and Payments was not submitted to audit, contrary to Section 82 (1) of the Finance Instruction. The Financial Management Information System shows that the Ministry of Health as at 31/12/08 has Operating Trust Funds totalling \$8,943,060 of which \$7,495,121 or 84% represent FNPF. In addition, the Department of Women and Social Welfare has overdrawn Operating Trust Fund balance of \$43,052.
- (d) A Trading and Manufacturing Accounts for the operations of the Bulk Purchase Scheme was not submitted by the Ministry.
- (e) The payments of FNPF contributions and VAT could not be reconciled to the accounts.

19.2 Statement of Receipts and Expenditures

The Ministry collected revenue amounting to \$4,046,404 and incurred total expenditures of \$162,341,458 in 2008. Details are provided in Table 19.1 below.

TABLE 19.1: STATEMENT OF RECEIPTS AND EXPENDITURES FOR 2008

Description	2008 \$	2007 \$
RECEIPTS		
State Revenue		
Operating Revenue	2,190,599	1,159,155
Total State Revenue	2,190,599	1,159,155
Agency Revenue		
Hospital Fees	864,307	1,018,025
Funigation & Quarantine	147,652	166,048
Fiji School of Nursing	843,846	222,122
Total Agency Revenue	1,855,805	1,406,195
TOTAL REVENUE	4,046,404	2,565,350
EXPENDITURES		
Operating Expenditure		
Established Staff	66,347,318	74,184,031
Unestablished Staff	12,034,017	16,561,485
Travel & Communication	2,492,242	2,899,838
Maintenance & Operations	8,736,043	8,631,264
Purchase of Goods & Services	25,591,488	22,437,432
Operating Grants & Transfers	22,351,021	24,077,399
Special Expenditures	2,334,047	2,034,233
Total Operating Expenditure	139,886,176	150,825,682
Capital Expenditure		
Capital Construction	2,253,819	3,744,529
Capital Purchases	2,995,402	2,070,627
Capital Grants & Transfers	756,232	2,443,859
Total Capital Expenditure	6,005,453	8,259,015
Value Added Tax	16,449,829	18,281,077
TOTAL EXPENDITURE	162,341,458	177,365,774

The Ministry's revenue increased by \$1,481,054 or 58% in 2008 compared to 2007 due to:

- adjustment made to stale cheques from the prior year's by the Department of Women and Social Welfare;
- improvement in the collection of fees; and
- recovery of fees from students (FSN) graduating.

The Operating Expenditure decreased by \$10,939,506 or 7% in 2008 compared to 2007 due to the:

- resignations and retirement of doctors, nurses, other paramedic staffs, and strict recruiting policy with the Public Service Commission;
- reduction in staff establishment for Department of Women and Social Welfare;

The Capital Expenditure declined by \$2,253,562 or 27% in 2008 due to:

- restrictions in the Ministry of Finance procedures to obtain approval (derequisition of funds) which subsequently delayed capital work.

- virement of funds from Capital Grants and Transfers to procure 10 vehicles for the Department of Women and Social Welfare.

The VAT Expenditure decreased by \$1,831,248 or 10% in 2008 due to the removal of VAT from SEG 1 *Established Staff* and SEG 2 *Unestablished Staff*.

19.3 Statement of Output Costs

The Statement of Output Costs did not consolidate expenditures into the fourteen outputs prescribed in the Budget Estimates as required. These are detailed in **Appendix 19.1**.

19.4 Appropriation Statement

The Ministry of Health, Women and Social Welfare incurred expenditures totalling \$162,341,458 in 2008 against the budget of \$166,552,330 resulting in a savings of \$4,210,872 or 2%. Details are provided in Table 19.2.

TABLE 19.2: APPROPRIATION STATEMENT FOR 2008

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	72,420,400	(126,500)	72,293,900	66,347,318	---	5,946,582
2	Unestablished Staff	14,536,100	90,000	14,626,100	12,034,017	---	2,592,083
3	Travel & Communication	2,932,500	40,504	2,973,004	2,492,242	---	480,762
4	Maintenance & Operations	8,489,600	59,764	8,549,364	8,736,043	---	(186,679)
5	Purchase of Goods & Services	25,835,000	(207,208)	25,627,792	25,591,488	---	36,304
6	Operating Grants & Transfers	22,386,000	2,128,140	24,514,140	22,351,021	---	2,163,119
7	Special Expenditure	2,023,900	79,167	2,103,067	2,334,047	---	(230,980)
	Total Operating Costs	148,623,500	2,063,867	150,687,367	139,886,176	---	10,801,191
	Capital Expenditure						
8	Capital Construction	4,012,600	(450,000)	3,562,600	2,253,819	---	1,308,781
9	Capital Purchases	3,796,100	1,392,071	5,188,171	2,995,402	---	2,192,769
10	Capital Grants and Transfers	1,550,000	(398,000)	1,152,000	756,232	---	395,768
	Total Capital Expenditure	9,358,700	544,071	9,902,771	6,005,453	---	3,897,318
13	Value Added Tax	5,886,200	75,992	5,962,192	16,449,829	---	(10,487,637)
	TOTAL EXPENDITURE	163,868,400	2,683,930	166,552,330	162,341,458	---	4,210,872

19.5 Statement of Losses

The Ministry failed to submit a Statement of Losses for the financial year ended 31/12/08.

19.6 Trust Account – Statement of Receipts and Payments

The Ministry also failed to submit a Trust Account – Statement of Receipts and Payments for the financial year ended 31/12/08.

AUDIT FINDINGS – MINISTRY OF HEALTH

FINANCIAL STATEMENT

19.7 Agency Financial Statement

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.¹

In addition, each agency must include the following statements in its annual financial statements:²

- (i) statement of receipts and expenditure;
- (ii) statements of output costs;
- (iii) an appropriation statement;
- (iv) a statement of assets and liabilities;
- (v) notes to the statement of assets and liabilities;
- (vi) a statement of losses;
- (vii) a trust account statement of receipts and payments (where applicable)

The Ministry submitted its financial statements for audit on **12/05/09** and were not prepared in accordance with the requirements of Section 82 and Schedule 1 of the Finance Instructions 2005.

The following discrepancies were noted:

- The Ministry has grouped its expenditures into 9 Statements of Output Costs whereas the Budget Estimates prescribes 10 outputs.
- The amounts in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Ministry under each output.
- The Ministry failed to provide a Statement of Losses, the Trust Fund Statement of Receipts and Payments, and the Trading and Manufacturing Account for its Bulk Purchase Scheme to audit.

The above issues will be used as basis of qualifications of the financial statements.

Recommendation

The Ministry should ensure that the requirements of the Finance Instructions 81 & 82 are strictly followed in the preparation of the Financial Statements.

Ministry's Comments

No comments received.

¹ Section 81 (3) – Finance Instructions 2005

² Section 82 (1) – Finance Instructions 2005

19.8 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.³

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 variances as follows:

TABLE 19.3: VARIANCE BETWEEN FNPf RECONCILIATION AND PAYROLL EXPENDITURE

Details	Amount \$
(a) Total FNPf against salaries and wages for 2008:	
FNPf as per financial statement	5,417,684.43
Less: December 2007 FNPf	989,476.96
	4,428,207.47
Add: December 2008 FNPf	1,046,217.70
FNPf for 2008	5,474,425.17
Gross Pay subject to FNPf (FNPf 2008 / 0.08)	68,430,314.63
(b) Salaries and Wages for 2008 subject to FNPf	
Salaries, wages and allowances as per financial statement	70,199,328.16
Less: Salaries, wages and allowances for 2008 not subject to FNPf	34,126.64
	70,165,201.52
Un-reconciled Variance	1,734,886.89

The above variance indicates that the FNPf have been underpaid. No explanation was provided for the variance.

Recommendation

The Ministry should review its FNPf records and reconciliations and provide explanations for the variances.

Ministry's Comments

No comments received.

19.9 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.⁴

³ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

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

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.⁵

The Ministry failed to prepare VAT reconciliations for 2008. A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$7,379,259.80 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 19.4 below for details:

TABLE 19.4: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Details	Amount \$
Total expenditure/income as per Expenditure Statement	138,704,506.02
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	78,813,410.30
Total expenditure/income subject to VAT	59,891,095.72
Less: Total taxable supplies as per VAT Returns	52,511,835.92
Un-reconciled variance	7,379,259.80

The Ministry could have avoided the above variance had regular reconciliations were undertaken and proper supervisory controls in place.

Recommendations

- **The Ministry should review its VAT records and provide explanations for the variances.**
- **Monthly Vat reconciliations are undertaken to ensure that correct Vat payment are made to relevant authorities.**
- **Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL.**

Ministry's Comments

Your findings are noted. The figures provided in this report is incorrect, we are also verifying this figure with Inland Revenue and variance in figures is not as highlighted in your report.

Vat returns were being prepared on a monthly basis and on a timely manner and the balances are reconciled with the FMIS format as set out by Ministry of Finance. Monthly vat returns were promptly submitted to the Inland Revenue Department. We are closely monitoring this return to ensure correct figures are submitted every month and officers analyzing this reconciliation are informed to be meticulous on this report before endorsing for submission to Ministry of Finance. Supervisory controls were in place

19.10 Operating Trust Fund Account

Trust Fund Accounts compromise monies, which are not the property of the state and not utilized for the purpose of government. In addition, Trust money is to be accounted for separately from public money and other money,⁶ and by convention should always have credit balances. Thus, the trust fund accounts should not at any time be overdrawn.⁷

⁵ Finance Circular No 9/95

⁶ Section 25 (1) of the Financial Management Act

⁷ Finance Circular No. 4/98 of 30/03/98

Moreover, each month, the trust account shall be balanced and reconciled to the trust bank account. The names and balances of each account shall be listed and the reconciliations shall be signed by the responsible officer. Un-reconciled items should be investigated and resolved promptly.⁸ Each year, a statement of receipts and payments shall be prepared for audit and inclusion, when required, in the agency's annual report.⁹

Audit noted the following anomalies:

- (1) The Ministry maintains 24 individual trust fund accounts. As at 31/12/08, the trust fund account has a balance of \$8,943,059.57. The details are as follows:

TABLE 19.5: TRUST FUND BALANCE AS AT 31/12/08

Account No	Balances \$
1221000000860000	9,082,245.19
1221000000890000	(139,185.62)
Total	8,943,059.57

- (2) The following trust fund accounts had overdrawn balances as at 31/12/08:

TABLE 19.6: OVERDRAWN TRUST FUND ACCOUNTS

Account Number	Description	Amount \$
12210122999861202	241 PD CMLA	387.26
12210122999861521	312 PD Sacred Heart CU	125.45
12210122999861527	321 PD Fiji Dental Association	8,505.73
1221000000899988	Miscellaneous Fund	139,669.76

The overdrawn trust fund is tantamount to unauthorised expenditures. It indicates lack of adequate internal control and supervision and a disregard for procedures in the Finance Instructions.

- (3) The Ministry is holding significant amount of money in the following trust fund accounts:

TABLE 19.7: SIGNIFICANT AMOUNTS IN TRUST FUND ACCOUNT

Details	Account No	Balances \$	Remarks
289 PD Fiji REG Nurses Ass	12210122999861504	123,686.50	<ul style="list-style-type: none"> The fund balance has increased from \$42,886.80 in 2007 to \$123,686.50 in 2008 The Breakdown details were not provided for audit verification.
293 PD Society of Hosp Pham	12210122999861507	107,072.16	<ul style="list-style-type: none"> The fund balance as at 31/12/07 amounted to \$73 , however it increased significantly by \$106,999.16 in 2008 The Breakdown details were not provided for audit verification.
304 PD Fiji Nursing & Ass CU	12210122999861514	1,091,847.70	<ul style="list-style-type: none"> The fund balance has increased significantly by \$656,217 from

⁸ Section 69 (3) – Finance Instruction 2005

⁹ Finance Instructions Part 9 – 69(3) (4) 2005

Details	Account No	Balances \$	Remarks
			\$435,631 in 2007 to \$1,091,848 in 2008. <ul style="list-style-type: none"> No valid explanation could be obtained from the Ministry. The Breakdown details were not provided for audit verification.
383 PD Sundries	12210122999861910	252,258.03	<ul style="list-style-type: none"> No movement in the balance in 2008. The balance has been carried forward from 2007 The source of the fund and the breakdown details are unknown.
501 PD Employees FNPF	12210122999861920	7,495,120.72	<ul style="list-style-type: none"> The significant amount of the balance was carried forward from 2007 (\$6,828,218). Audit could not ascertain the accuracy of the amount as no breakdown details were provided by the Ministry. No valid explanation could be obtained from the Ministry for this pending balance.

(4) The following miscellaneous funds posted into Fund 1 without any clear definition.

TABLE 19.8: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Account ID	Description	Amount \$	Explanations
10810108999899988	Miscellaneous Fund	139,669.76	No valid explanation provided by the Ministry upon audit query.
10810380101899988	Miscellaneous Fund	(484.14)	

Without proper records, the accuracy of the trust fund account balances could not be authenticated.

Recommendations

- **The Ministry should ensure that the Trust Fund Account reconciliations are prepared accurately.**
- **It should investigate the overdrawn (debit) trust fund accounts and action taken against the officers responsible for the non-compliance with the Finance Instructions.**
- **Thorough review of the operating trust fund accounts should be carried out for those accounts whose balances have been carried forward from previous years without any documents available at the Ministry to substantiate the balances and take corrective actions.**

Ministry's Comments

Your findings are noted and we have been trying our best to verify the real issues in the accumulated credit and overdrawn balances in this report. In 2003 the amount in this account were mainly credit balances that has to be paid on the following month. . Effort in the retrieving supportive documents to substantiate TRUE and accurate balance was to no avail at all.

In the hope to salvage this area , we have engaged our Internal Inspection Team to investigate these accounts back to 2004, but they were called to carryout some urgent inspection of the other health Institutions records and this account is still pending for further verification and reconciliation of the amount highlighted as \$8,943,050. Your office will be informed of our updates in future.

19.11 Revolving Fund Account – Miscellaneous

A ledger shall be maintained for advances and revolving fund accounts¹⁰. 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.¹¹

In addition, the Revolving Fund Account Miscellaneous by their nature should always reflect debit balances, as this account is used to record all accountable advance, dishonoured cheques, losses/thefts, surcharges and any unclaimed money.¹²

The Ministry maintained five Revolving fund accounts amounting to \$355,989.11 as at 31/12/08. The audit noted that the following RFA account had overdrawn balance as at 31/12/08.

TABLE 19.9: OVERDRAWN REVOLVING TRUST FUND ACCOUNT

Code	Accounts Description	Amount \$	Remarks
12210122999560201	Accounts Receivable Government Department	2,710	The balance has been carried forward from 2007. The details were also not provided.

In addition, the Ministry is holding significant balance of funds in the following Revolving Fund Accounts.

TABLE 19.10: SIGNIFICANT AMOUNT HELD IN THE REVOLVING FUND ACCOUNTS

Details	Account Number	Balance \$	Remarks
Account Receivable	12210122999560203	69,378.09	The Breakdown details were not provided for audit verification.
Surcharges	12210122999570304	283,619.78	The fund balance has been carried over from 2007. The Breakdown details were not provided for audit verification.
Dishonoured Cheques	12210122999570302	1,582.14	The fund balance has been carried over from 2007. The Breakdown details were not provided for audit verification.
Advance	12210122999570301	4,119.10	The Breakdown details were not provided for audit verification.

The above anomalies indicate that the monthly Revolving Fund reconciliations may not have been thoroughly scrutinised and checked by the Accounting Head.

Recommendations

- **The Ministry should ensure that the monthly reconciliation is prepared in accordance with the requirement of the Finance Manual and any differences are adjusted accordingly.**
- **The Ministry should investigate the overdrawn balances and take corrective action.**

¹⁰ Section 16.3.1 – Finance Manual 2005

¹¹ Section 16.3.3 – Finance Manual 2005

¹² Page 235 of the Accounting Training Manual

Ministry's Comments

(i) *prompt and regular clearance of charges were being made despite being raised by AG's Report.*

(ii) *All revolving fund accounts are closely monitored and charges promptly cleared to avoid year end accumulation of balances.*

(iii) *Monthly reconciliation's were being carried out as stipulated in the Finance Manual 2005; hence the figures were reconciled with the FMIS Reports.*

(iv) *The carried over balances were accumulated since 2003 due to the manual system that were in place and the reason could be misallocations or the source documents could not be located due to the number of years records. The breakdown details could not be identified and needs to be journalized to waive the carried forward balances.*

19.12 Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and be signed and dated by the responsible officer.¹³

In addition, write off action should be taken once cheques 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.¹⁴

The audit noted that the Drawings Account balance as at 31/12/08 as per the Ministry's record did not reconcile with the Financial Management Information System (FMIS) records. Refer to Table 19.11 below for details:

TABLE 19.11: VARIANCE IN DRAWINGS ACCOUNT BALANCES

Details	Balance \$
FMIS Figure	4,701,838.95
Ministry's Record	5,827,281.03
Variance	1,125,442.08

The variance is due lack of account reconciliation and ensuring that the differences between the two records.

Recommendation

The Ministry should ensure that drawings accounts is reconciled with FMIS records to avoid further accumulation of the variances.

Ministry's Comments

No comments received.

¹³ Section 39 (5) – Finance Instruction 2005

¹⁴ Finance Circular 21/2007 dated 12/11/07, para 7.4.2

19.13 Trading and Manufacturing Account

Trading and Manufacturing activities (TMA's) are operated on a semi- commercial basis to increase the returns that are realized from them and to provide goods, services or works more cost-effectively.¹⁵

In addition, the TMA annual report shall be prepared by the TMA manager for inclusion into the agency's annual report. The report shall include a copy of the audited TMA annual financial statements comprising a profit and loss statement and balance sheet and actual performance compared to the business plan targets.¹⁶

The Ministry failed to prepare its monthly reconciliations and the year end annual report and as a result, the audit could not substantiate certain balances reflected in the Financial Management Information System (FMIS). The details of the balances are as follows:

TABLE 19.12: DETAILS OF BALANCES IN FMIS

Account Number	Account Description	Amount \$
42225122999240201	Sales	594,072.70
42225122999260101	Direct Materials	80,850.82
42225122999260201	Personal Emoluments	48,971.69
42225122999260202	FNPF	1,627.68
42225122999260304	Telecommunications	1,022.70
42225122999260402	Office upkeep	5,071.78
42225122999261301	Vat Input Tax	32,688.40
42225122999269922	Ministry of Health	423,839.63
42225122999560103	Accounts Receivable Individuals	45,915.63
4222000000580000	Inventory	---
4222000000940000	Appropriation TMA	971,523.83

The above indicates the laxity of the Accounting Head to carry out his/her duties diligently resulting in the non-preparation of the TMA reconciliations and the annual financial statements. A similar concern was also raised in previous year's audit report, however improvement is yet to be noted.

Recommendations

- **The Ministry should investigate the cause of delay in preparing the TMA reconciliation and the annual financial statements.**
- **The Accounting Heads should ensure that all reconciliations are prepared on a timely manner and are properly scrutinised.**

Ministry's Comments

Your report is noted , we regret our failure in the submission of TMA to your office, in-fact it was given to the TMA Officer at Mof For 2009, we will ensure to have the TMA Year end report on time

¹⁵ Part 6 of TMA – Finance Manual 2005

¹⁶ Section 6.5.7 – Finance Manual 2005

19.14 Revenue

Where revenue is collected on behalf of other agencies the accounts officer raising the journal vouchers for posting shall also prepare an advice form informing the other agency of the collections received on their behalf.¹⁷

Audit of revenue records noted that some revenue collected in 2008 did not belong to the Ministry but were reflected in their accounts. The details are as follows:

TABLE 19.13: REVENUES THAT DO NOT BELONG TO THE MINISTRY

Revenue Description	Amount \$
Income Tax Personal	235,021.34
Income Tax PAYE	107,369.84
Customs Import Vat	37,539.28
Total	379,930.46

The Ministry was reminded on several occasions both previously and during the current audit conduct to take necessary steps to adjust and rectify the situation but it has been futile.

The failure of the Ministry to monitor the correct posting of revenue has led to overstated state revenue in its accounts. Also the laxity of the accounts officer is evident in not carrying out adjustments when notified.

Recommendation

The Ministry should monitor its revenue collections on a monthly basis to avoid any error and omission caused mostly through misposting.

Ministry's Comments

No comments received.

19.15 Significant Variance in FSN Revenue

Each accounting Head shall ensure that revenue is recorded against the correct account; the recording of revenue is reconciled monthly with the Ministry of Finance: the Ministry of Finance is advised of any errors or discrepancies within 10 working days after the end of each month.¹⁸

A variance of \$408,945 exists between the Fiji School of Nursing records of \$434,901.14 and the FMIS record of \$843,846, in the collection of FSN fees.

The variance could have resulted from mispostings which the Ministry had failed to identify.

Recommendation

The Ministry should investigate the variance in the FSN fees and take a corrective action.

¹⁷ Section 5.5.7 – Finance Manual 2005

¹⁸ Finance Instructions 2005 – 30 (1)

Ministry's Comments*No comments received.***19.16 Excess Expenditure**

Accounting officers who have been authorised to supervise and control expenditure allocations should closely monitor the expenditure to ensure that none of its allocation are exceeded or overspent against the budgetary allocations.

The Ministry had overspent its annual Budget for the following allocations as at 31/12/08:

TABLE 19.14: ALLOCATIONS OVER-SPENT

P-A-S	Description	Revised Provision (\$)	Actual Expenditure \$	Over-Expenditure \$	Over-Expenditure %
1-1-2	Unestablished Staff	325,300	339,030.78	13,730.78	4
1-1-7	Special Expenditure	907,167	1,556,111.70	648,944.70	72
1-2-3	Travel and Communication	10,900	19,484.75	8,584.75	79
1-2-4	Maintenance and Operations	41,000	42,219.43	1,219.43	3
1-2-13	VAT	26,600	236,676.81	210,076.81	790
2-1-4	Maintenance and Operations	2,947,000	3,105,586.80	158,586.80	5
2-1-5	Purchase of Goods and Services	5,627,567	6,855,921.63	1,228,354.63	22
2-1-13	VAT	1,754,900	5,749,400.66	3,994,500.66	228
2-2-4	Maintenance and Operations	1,444,000	1,770,404.01	326,404.01	23
2-3-3	Travel and Communications	15,800	22,451.49	6,651.49	42
2-3-4	Maintenance and Operations	33,300	35,365.57	2,065.57	6.2
2-2-13	VAT	745,550	5,363,590.07	4,618,040.07	619
2-3-13	VAT	277,600	1,348,961.12	1,071,361.12	386
3-1-4	Maintenance and Operations	2,285,000	2,356,329.16	71,329.16	3
3-1-13	VAT	287,800	591,311.99	303,511.99	105
3-2-3	Travel and Communications	27,500	38,596.38	11,096.38	40
3-2-13	VAT	107,400	689,614.77	582,214.77	542
4-1-13	VAT	15,400	240,291.18	224,891.18	1,460

The lack of coordination and poor monitoring and controls in place by the management has resulted in the above excess expenditure. Similar issues were highlighted in previous year's audit report, but improvement was yet to be noted.

Recommendation

The Ministry should regularly monitor and control its expenditure allocations and avoid excessive expenditure.

Ministry's Comments*No comments received.*

AUDIT FINDINGS – MINISTRY OF HEALTH**TAMAVUA TWOMEY HOSPITAL****19.17 Government Quarters**

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate of 8% of basic salary.¹⁹ In addition, Officers occupying government quarters will be required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.²⁰

Contrary to the above provisions, the following officers have been occupying quarters at Tamavua Hospital compound and were paying rent of \$0.35 per week or \$18.20 annually. Refer to Table 19.15 below for details.

TABLE 19.15: OFFICERS OCCUPYING GOVERNMENT QUARTERS

Name of Officer	EDP/FNPF No.	Station	Post	Date of Occupation
Misi Rabitu	KZ 926	CWM Hospital	Boiler Man	1997
Kiti Kasila	VP 097	FSN	Driver	20/11/2006
Marika Vunibaka	WN 830	Tamavua	Cleaner	03/01/2007
Sailosi Raitaba	PN 249	Tamavua	Watchman	24/09/2001
Veremo Kuruisalili	HV 906	Tamavua	Linen man	March 2007
Eroni Taviraki	32497	Tamavua	M/Orderly	15/12/1989
Arthur Snow	PN 493	Govt Pharmacy	Mechanic/Driverr	24/02/2005
Rosa Vulaca	OW 562	Tamavua	Cleaner	29/09/2001
Peni Vulaca	PF 203	HQ	Mechanic/Driverr	24/09/2007
Losalini Wati	DT 250	Tamavua	Cook	24/01/2005
Mesake Biumaiwai	LV 841	Tamavua	Cleaner	24/09/1990
Sereana Narayan	RN 234	Tamavua	Cook	2007
Solomone Tawake	MG 401	Tamavua	Cook	24/12/2005
Simione Taituku	LT 900	Tamavua	Driver	09/08/1999

It was revealed that these quarters were recently renovated; therefore audit is of the view that the rent charged should be reviewed to ensure sustainability. Water bills were also paid by the Hospital instead of the occupants.

The above findings indicate breach of provisions in the General Orders, resulting in occupants failing to pay the required rent and the water bills, which deprives the government of potential revenue.

Recommendations

- **The Ministry should ensure that the rent charged to these occupants is in compliance with the General Orders 607.**
- **Water bills should be charged to the occupants.**

Ministry's Comments

The Ministry will now readjust the rates accordingly and that separate water meters be installed to allow separate water billings to each occupant as identified. The Planning section of the Ministry have been working on the separate metering with PWD

¹⁹ General Orders 607

²⁰ General Orders 617 (a)

Further OAG Comments

During the exit meeting on 21/09/09, the Ministry commented that they will liaise with Public Service Commission and seek clarification on the rate to be charged for the occupancy of these quarters by the staffs.

19.18 Hospital Needs

The Ministry would provide quality health services for the people of Fiji through a strengthened divisional health structures.²¹

Audit inspection of different sections at the Hospital noted that the following resources are needed to enhance the quality of its service delivery to the public. Refer to Table 19.16 below for details.

TABLE 19.16: RESOURCES NEEDED BY THE HOSPITAL TO PROVIDE QUALITY SERVICE

Department / Section	Needs	Comments
Pharmacy	1) Urgent need for a computer. 2) Assistant for Pharmacist.	<ul style="list-style-type: none"> For proper administration, record keeping and management of the drugs. Only one Pharmacist is looking after the Pharmacy. Most of the time she has to go for duties at CWM or Government Pharmacy and the patients have to wait until she comes back.
Leprosy	1) Mini Operation Theater with equipments. 2) Expansion of Clinic 3) Laptop/Digital Camera 4) Diagnostic instrument for skin clinic.	<ul style="list-style-type: none"> The mini operation theater with equipments is needed to perform Dermato surgery. To cater the growing in and out patient demand. Also provision of better facilities like patients/staffs convenience and sitting chairs. This is for record keeping and report writing. The digital camera is needed to take pictures of sample skin diseases to send to overseas for advice. Instruments like strand light, hand lenses, minor surgical instruments and biopsy scalpel and electrocatery machine are needed for Dermato-surgery.
National Rehabilitation Medicine Hospital	1) New equipments	<ul style="list-style-type: none"> Old equipment in the ward that needs replacement such as Wheel Chair Scale, Dyna Map, Commode Digital thermometer, ECG machine and suction machine.

Without proper equipments and facilities, the Hospitals service delivery to the public would be hindered and compromised.

²¹ Ministry of Health's Mission Statement.

Recommendation

The Ministry should consider upgrading the existing equipments and facilities in place to increase the quality of service delivery to the public and achieve its objective.

Ministry's Comments

The Pharmacy will be purchased a desktop PC and there is now a full time Pharmacist that has been posted to the hospital in May 09. The assistant for Pharmacy has to be confirmed with funding availability.

The Mini operating theater and expansion of the skin clinic has to be a new facility improvement and would require capital works by the Ministry proposed through normal budgetary processes.

The laptop/digital camera and diagnostics instruments for Leprosy would be requested to the Pacific Leprosy Foundation in the next board meeting.

The new equipments will be provided by the Ministry with the initial lots commissioned in Sept/Oct this year.

19.19 Outstanding FSM Water Bills

The Accounting Head or accounts supervisor must not certify a payment as correct unless they are satisfied that it are in accordance with the LPO, indent, contract, invoice or other authorization.²²

The Tamavua Hospital has continued to pay the water bills of the Fiji School of Medicine despite it now being a private institution. It has paid water bills amounting to \$455,640.94 for meter number KRI 22 as at 31/12/08. Refer to Table 19.17 for details.

TABLE 19.17: PAYMENT DETAILS FOR METER NUMBER KRI 22

Year	Amount \$
2000	452.50
2001	7,749.12
2002	6,562.50
2003	24,779.48
2004	56,152.74
2005	74,858.04
2006	191,970.56
2007	34,918.50
2008	58,197.50
Total	455,640.94⁺

⁺Source: Water Rates Office

Enquiry with the Water Rates Office revealed that the meter number KRI 22 has been transferred to FSM on 22/02/09. Failure to identify and transfer the water meter to FSM much earlier has resulted in unauthorized and extravagant expenditures met by the Hospital.

Recommendation

The Ministry should make necessary arrangement with FSM to have the above expenditure reimbursed.

²² Section 2.8.3 – Finance Manual 2005

Ministry's Comments

There will be a meeting specifically to discuss these arrangements of reimburse of the money paid by the Ministry of Health for the water used by the FSM at Tamavua. The Permanent Secretary of Health will facilitate this to FSM.

Further OAG Comments

During the exit meeting on 21/09/09, The Permanent Secretary informed that she has not yet met with the FSM management but would be meeting shortly to discuss the reimbursement of water bills to the Ministry of Health.

SAMABULA OLD PEOPLES HOME**19.20 Government Quarters**

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate of 8% of basic salary.²³ Officers occupying government quarters will be required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.²⁴

The following officers have been occupying the quarters at the Samabula Old Peoples Home compound without paying any rent. Refer to Table 19.18 below for details.

TABLE 19.18: STAFFS OCCUPAYING GOVERNMENT QUARTERS WITHOUT PAYING ANY RENT

Staff	EDP No.	Grade	Quarter No.	Date Quarter Occupied	Rate \$	Remarks
W. Manu	14688	Ungraded	18	21/05/04	Nil	Institutional Quarters
L. Finau	32658	Ungraded	3	01/01/06	Nil	Institutional Quarters
J.Waqanisau	VT 288	Ungraded	1	14/09/06	Nil	Institutional Quarters
L. Dimulo	MA 724	Ungraded	2	26/06/08	Nil	Institutional Quarters
Y.P Sami	LU 886	Ungraded	4	03/09/00	Nil	Institutional Quarters
K. Suraru	PU 861	Ungraded	12	29/09/07	Nil	Institutional Quarters
L.O'Connor	MW 980	Ungraded	12	31/12/97	Nil	Institutional Quarters
L. Marama	HL 223	Ungraded	12	15/08/07	Nil	Institutional Quarters

The utility bills (water & electricity) are also met by the SOPH instead of the above occupants, as no separate lines are kept for the quarters. Moreover, audit could not sight any tenancy agreement for PSC approval exempting the occupants from paying rent and the utility charges.

The above findings indicate the breach of the General Orders, resulting in occupants failing to pay the required rent and the utility bills, depriving the government of potential revenue.

Recommendation

The occupants should be charged rent and pay their own utility bills in accordance with General Order 607 and 617 (a).

²³ General Orders 607

²⁴ General Orders 617 (a)

Ministry's Comments

Currently, out of the 8 [eight] quarters at the premises, 4 [four] are vacant while the other 4 [four] are being occupied by the by the existing faculty members. The occupants will be advised on the condition for payment of quarter's rental and utility bills. The General Services Unit - CEHS will do grading of quarters.

Further OAG Comments

During the exit meeting on 21/09/09, the Ministry commented that they will liaise with Public Service Commission and seek clarification on the rate to be charged for the occupancy of these quarters by the staffs.

FIJI PHARMACEUTICAL SERVICES

19.21 Pending Surcharge – Mr. Peter Zinck

Any sum or sums due by an officer to government may be deducted by the Permanent Secretary for Finance from salary due to such officer. An officer shall be given prior notice of such action being taken.²⁵ In addition, all practical and cost effective efforts shall be made to recover losses which are recoverable and to avoid future losses occurring from the same cause.²⁶

The former Chief Pharmacist, Mr. Peter Zinck, was surcharged \$50,316.94 (50% of \$100,633.88) for non delivery of 100 hospital beds ordered as per the indent MD107/03. The supplier, Pacific Surgimed International Ltd of New Zealand was paid in advance the total amount of \$100,633.88 in December 2002.

The Officer applied for leave without pay for a year with effect from 18/08/08; however this was declined by the Ministry of Health, Ministry of Finance and the Public Service Commission, reason being him owing substantial surcharge amount.

Without any approval, Mr Zinck proceeded on leave and as a result his service was terminated on 17/08/08. Audit noted that his salary was ceased on 26/08/08 instead of 18/08/08, resulting in overpayment of salary amounting to \$1,041.47. The Officer was repaying the surcharges amount at a rate of \$120 / fortnight; however this ceased on 25/08/08 due to his termination. The Officer is now²⁷ employed at the United Nation Population Fund (UNFPA).

The Officer owes the government \$47,758.41, resulting from surcharge (\$46,716.94) and overpayment of salary (\$1,041.47).

In addition, Mr. Zinck is yet to return a safe given to him whilst holding the position of a Chief Pharmacist. The Ministry was not able to provide the material value of the safe.

This case was been investigated by the Anti Money Laundering Unit, Criminal Investigation Department of the Fiji Police Force in July 2008. As at the audit date²⁸, neither any report has been received by the Ministry nor the Ministry followed up on this case with the mentioned unit.

Failure to instigate timely action could result in substantial amount of loss to the government. Also the prolong delay in taking necessary action would result in the amount not refunded from the supplier.

²⁵ General order 1993

²⁶ Finance Instructions 2005 (67)

²⁷ 16 March 2009

²⁸ 4 May 2009

Recommendations

- **The Ministry should officially write and inform Mr. Zinck to make necessary arrangement to clear all his outstanding dues.**
- **Appropriate authorities should be consulted and informed if the attempt to fully recover outstanding surcharges is unsuccessful.**
- **The Ministry should follow up with the CID Unit on the progress of the case.**

Ministry's Comments

Non-delivery of 100 hospital beds

Perusal of MD107/2003 indicated that proper quotations and tender procedures were followed and awarded to the cheapest bidder, Pacific Surgimed Limited.²⁹ It is also noted that the company requested for advanced telegraphic transfer of payment of \$FJD 94,468.61 as part of their quotation submission dated 18/11/2002³⁰ and indent raised on 29/11/2002.³¹

However, it should be noted that the Major Tenders Board approved this purchase on 11 December 2002 (MJTB 18/02) with the payment particulars itemised on the indent as "Payment: Advance TT."1

Therefore the Major Tenders Board is supposed to check that all financial requirements of the Government of Fiji are complied with before endorsement, as the "control forum" for government in terms of tender processes.

It is also noted that Government Pharmacy Procurement team, Principal Supplies Officer and the then Chief Pharmacist had exhausted all available avenues to claim monies spent.

The Ministry of Health headquarters will be in a better position to action all recommendations highlighted in the draft report. These are due to several factors:

- *Officer concerned is no longer in the public service. Arrangement with current employer or with employee on money and asset recovery;*
- *The Anti Money Laundering Unit, Criminal Investigation Department, Fiji Police Force should submit a report for appropriate action;*
- *Major Tenders Board should also explain why the indent was approved.*

Further OAG Comments

During the exit meeting on 21/09/09, the Permanent Secretary commented that this case was handled directly by the current Minister with CID Police Department. However, they will be seeking legal advice from Solicitor General, and would be informing the Immigration Department, Public Service Commission and the UNFPA about this case.

Another person (Mr. Narendra Goundar) involved in this case has gone overseas and his whereabouts are unknown. His name would be sent to Immigration Department and the Interpol.

²⁹ Memorandum File 107/2003: dated 29/11/2002

³⁰ Pacific Surgimed Quotation 18/11/02

³¹ Indent MD 107/2003

19.22 Excessive Supply of Drugs

The aim of the National Drug Policy is to ensure the continued availability of sufficient quantities of the required essential drugs at all levels of the health system, through the accurate and systematic recording, monitoring and reporting of stock levels of all items.³²

The Fiji Pharmaceutical Services usually hold stocks which carry minimum levels (MSL) equivalent to 8 months and maximum stock (MSL) equivalent to 18 months for fast moving goods.

Audit noted that Fiji Pharmaceutical Services in 2008 purchased 29,700,000 Methyldopa tablets (250mg) tablets, costing \$1,038,076.09, when the estimated annual usage rate was only 1,333,333 and the maximum stock level was 2,000,000.

Assuming the drugs do not expire, the stock should be sufficient for 19 years. However, these drugs would be expiring in April 2011.

As at the audit date on 16/3/09, 25,522,000 Methyldopa tablets (250mg) valued at \$893,270 are held in stock.

Funds are unnecessarily tied down due to this bulk purchase and it appears that there was some ulterior motive in the execution of the transaction.

Recommendations

- **Officers responsible for this oversupply of drugs and wastage of taxpayer's funds should be disciplined accordingly.**
- **The matter should be reported to police.**

Ministry's Comments

After perusing MD245/08 it is noted that a total of 297,000 tablets of packs of 100 (item Code 00195 Methyldopa Tablets 250mg) was procured on two occasions (via indent under the Drug Tender from Boucher and Muir, Australia. Procurement raised both orders on 22 February 2008. The first indent was for 200,000 tablets x 100 packs (value of \$699,041.14 C&F inclusive) and the second indent was for 97,000 tablets x 100 packs (value of \$339,034.95 C&F inclusive). 33

Controller of Government Supplies (COGS) received the first consignment on 4 March 2008 and the second consignment on 14 May 2008.

The anomaly noted on the indent is that the pack size of 100 tables/packet of the product may have been overlooked by both procurement and the then Director when indent was raised and signed respectively. This is a plausible explanation of this anomaly of procuring 29, 700,000 tablets.

FPBSC has recently reviewed maximum stock holdings and placed control systems in place to ensure this type of event is not repeated.

Further OAG Comments

During the exit meeting on 21/09/09, the Director FPS agreed that this should not have happened and they would be putting in controls to eliminate this type of transactions or events from happening in future.

³² National Drug Policy – Para. 7

³³ Indent MD245/08

These tablets are used in pregnancy cases only. The Ministry would make an effort to sell these tablets to other Pacific Island Countries.

19.23 Drugs and Consumables not Cleared by Quarantine

The contractor will not supply goods with unacceptably close use by/expiry dates.³⁴ FPS may accept shorter expiry dates at its discretion.³⁵ The minimum time of expiry of drugs and consumables upon reaching Fiji Pharmaceutical Service should not be less than 18 months.³⁶ The contractor warrants that the goods are of merchantable quality, made of good material and workmanship and free from defect.³⁷

The audit noted that losses were not claimed for some of the drugs and consumables kept at the Miscellaneous and the Receiving Section for quarantine purposes due to poor merchantable quality, wrongly supplied, or those that were about to expire were not cleared on time thus expired.

Refer to **Appendix 19.2** for details.

No claim is made from suppliers for loss of drugs as a consequence proper value was not obtained for funds spent on these drugs.

Recommendations

- **The Ministry should ensure that provisions of the Contract is adhered to in cases of goods received which are found to be defective or not in accordance with the specification.**
- **Officers responsible for the erroneous supplies should be reprimanded whilst discrepancies should be borne by the suppliers.**

Ministry's Comments

Most of the items held in the quarantine were later taken on charge due to the shortage of drugs in the market and also some were discontinued because of changes in the specification. Suppliers have issued credit notes for some short expired items.

Likewise with the consumables all the items were later taken on charge because of improper specification. Suppliers have supplied items according to the specification provided. Now that we have a Clinical Coordinator, we are currently reviewing the technical specification of consumables to be in par with international standards.

*Please find listed tabulated response for each item selected in **Appendix 19.2**. It should be stressed that the Audit team should attend processes involved; ensure meticulous analysis and reconciliation of all documents (from procurement to receipts). Comments made for these sections are not accurate.*

19.24 Shortage of Drugs and Consumables

The aim of the National Drug Policy is to ensure the continued availability of sufficient quantities of the required essential drugs at all levels of the health system, through the accurate and systematic recording, monitoring and reporting of stock levels of all items.³⁸

³⁴ Condition of Contract: FPBS vs The Contractor – Para 4.9.1

³⁵ Condition of Contract: FPBS vs The Contractor – Para 4.9.2

³⁶ Condition of Contract: FPBS vs The Contractor – Para 4.9.1

³⁷ Condition of Contract: FPBS vs The Contractor – Para 4.10.1

³⁸ Section 7 – National Drug Policy

The following essential drugs and consumables have been out of stock at the FPS since 17/09/08 till the audit date.³⁹ These shortages were verified from the inventory records (Epicor System) maintained by the FPS. Refer to Table 19.19 below for details.

TABLE 19.19: SHORT SUPPLY OF DRUGS AND CONSUMABLES

Item No.	Drugs & Consumables	Minimum Stock	Maximum Stock	Stock as at 17/09/08 and 13/11/08	Stock as at 12/03/09
00067	Chloropromazine Tabs 50mg	24,000	36,000	NIL	NIL
00123	Ferrous gluconate Elixir 200mg	8,000	12,000	NIL	NIL
01045	Methylated Spirit 100% 200ml	600	0	NIL	NIL
00312	Thioridazine Tabs 10mg	11,000	16,400	NIL	NIL
00313	Thioridazine Tabs 50mg	23,000	34,000	NIL	NIL
00314	Thioridazine Tabs 100mg	57,400	86,100	NIL	NIL
01845	Lopamidol 300	655	1,965	NIL	NIL
00356	Potassium Chloride	30	40	NIL	NIL
00262	Prilocaine Inj	140	210	NIL	NIL
00302	Sulphathiazole cream	30	40	NIL	NIL
0003	Betamethasone Eye Ointment	1,225	1,840	NIL	NIL
32582	Morphine Sulphate Tabs	450	670	NIL	NIL
02240	Candid Ear Drops	300	500	NIL	NIL
00271	Propranolol Inj	170	260	NIL	NIL
01879	Lamivudine Tabs 150mg	480	720	NIL	NIL
00775	Spigot Catheters Medium	402	1,205	NIL	NIL
01179	Needle Disposable Spinal	2,000	3,000	NIL	NIL
32498	Endotracheal Tubes	250	600	NIL	NIL
32518	Chest Drain Tubes	40	100	NIL	NIL
00457	Gauze Absorbent Ribbon	51	154	NIL	NIL
00465	Felt Othopaedic	6	17	NIL	NIL
00468	Plaster Zinc Oxide	428	1,283	NIL	NIL
01198	Pipelles Endosampler	300	500	NIL	NIL
00611	Bag Autoclave Code	63	189	NIL	NIL
00712	Electrode Chest Adult	149	446	NIL	NIL
00870	Warming Blood Infusion Coil	20	80	NIL	NIL

The above findings indicate lack of proper control mechanisms to monitor, coordinate ordering and distribution of drugs and consumables to hospitals and health centres. Shortage of drugs would impact the treatment of the patients who could not afford to purchase drugs and consumables.

Recommendation

The Ministry should ensure that drugs and consumables are in adequate stock to avoid shortages.

Ministry's Comments

Most of the items were hard to source for various reasons, either these items were discontinued from the market, changes in the specification or difficulty in sourcing of raw materials. Most of these items were to be deleted from the inventory list. However there are alternative products available in stock.

Further comments received on 21/09/09: *The Ministry will be addressing this issue to avoid shortage of drugs and consumables in hospitals.*

³⁹ 12 March 2009

19.25 Expired Drugs 2008

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug system. Minimum and maximum stock levels will be introduced, systematic stock rotation ensured, dead stocks and expired stocks identified and either disposed off or, in the case of non-expired useable items, redistributed.⁴⁰

Audit noted that drugs worth \$973,120 had expired at the end of 2008. Refer to **Appendix 19.3** for details.

Refer to Table 19.20 below for the amount of expired drugs for the last 5 years at Fiji Pharmaceutical Services which has accumulated to \$2,786,139.34.

TABLE 19.20: DETAILS OF EXPIRED DRUGS

Year	Total Expired Drugs \$
2004	235,543.00
2005	518,389.30
2006	387,441.19
2007	671,645.67
2008	973,120.18
Total	2,786,139.34

Furthermore, the failure to dispose off these expired drugs had resulted in the unnecessary space being occupied thus storage charges.

The absence of proper control mechanisms to monitor, coordinate ordering and distribution of drugs in the country has resulted in the losses over the years.

Recommendations

- **The current system engaged in the ordering, usage and stock control should be reviewed as a matter of priority to ensure that expired drugs are kept to a minimum.**
- **Annual Board of Survey should be carried out for these inventories.**

Ministry's Comments

The management is putting strategies to ensure expiry is minimized and one of the major changes is the review of the minimum and maximum level. One of these changes is the issuing whereby short expiry is issued first rather than issuing by batch numbers. Stock rotation has been encouraged to minimize wastages.

The delay in the disposal was because of the delay in getting the approval from Ministry of Finance. Reports have to be reissued to Finance after the original copy was misplaced by the Verification Officer from Government Supplies.

⁴⁰ National Drug Policy (1994)

19.26 Stock Discrepancy

All practical and cost effective efforts shall be made to recover losses which are recoverable and to avoid future losses occurring from the same cause.⁴¹ Losses suspected to have been caused by theft or other breaches of the law should be reported immediately to the police and a copy of the report provided to the Public Service Commission, the Ministry of Finance and the Auditor General.⁴²

In addition, the Accounting Head must ensure that all officers of the agency who are responsible for particular controls are aware of their responsibilities, including the need for managers to regularly rotate duties between staff, where practical, to minimize and detect the possibility of fraud.⁴³ A surcharge may be imposed on an officer who is directly or indirectly responsible for the destruction, damage, theft or other loss of property.⁴⁴

The stock take report of 31/12/08 revealed the substantial amount of discrepancy between the stock records and the physical count. The stock take was not carried out on a regular interval despite the nature and the substantial amount of stock held amounting to \$10,849,293.

The audit noted that some drugs and consumables amounting to \$438,882.08 were in excess of its recorded stock whilst others amounting to \$432,071.29 were in deficit.

This is an indication that the stock records were not updated upon receipt or issue of stock, increasing the risk of misappropriation, theft and expiration of drugs without being detected. Thus, the stock management and control system in place is inadequate and ineffective, resulting in the above discrepancy.

Also if stock records are not updated the management is not in a position to determine the quantity of any stock it has at any point in time.

Recommendations

- **The Ministry should review its Stock Management and Controls Policies to minimise the above discrepancy.**
- **The stock records should be regularly updated and verified against the physical stock.**
- **The responsible officers should be surcharged for stock deficiencies. Surplus stock should be taken on charge,**
- **The regular stock take should be carried out due to the nature of the stock held.**
- **The refresher trainings on effective stock management should be provided to the staffs.**

Ministry's Comments

The management is currently reviewing the Inventory Management Policy and also putting in place procedure to ensure that such discrepancy is minimized. The stock verifiers are also conducting continuous checks to ensure that proper recording is maintained.

Quarterly stock take is also done to ensure that discrepancy is minimized and corrective measures are implemented to improve data integrity.

⁴¹ Section 66 – Finance Instruction 2005

⁴² Section 67 – Finance Instruction 2005

⁴³ Section 72 (2) – Finance Instruction 2005

⁴⁴ Section 74 – Finance Instruction 2005

SAINT GILES HOSPITAL

19.27 Unclaimed Patients Belongings

All patients' belongings should be returned to them or their family upon their discharge from the hospital.

Patients' belongings are still unclaimed and stored in a cabinet at the Saint Giles Hospital (SGH). No proper register is maintained to record and account for these valuable items. The items unclaimed are jewellery, purse, watches, bank books, passport, sunglasses, cameras and whales tooth etc.

Refer to **Appendix 19.4** for details.

The past and current management had failed to make a concerted effort to return these items to their rightful owners. Lack of proper records could be a catalyst for misappropriation and theft without being detected.

Recommendation

The Ministry should make a concerted effort to return these valuable items to its rightful owners.

Ministry's Comments

There is a long list of patients whose belongings are still with us Some of the patients have died while some have migrated or were from Overseas and a few are still inpatient.

The majority of the patients are alive and some have been admitted here several years back.

This problem arose when they failed to come back after leave, or when they were discharged in the weekends or after official hours of work as the belongings are kept in the Executive Officer's office.

Also in the past, patients' belongings were not thoroughly documented in the ward so they did not know that the patients have their belongings in the hospital and go home without their belongings.

We have addressed the issue of belongings in our admission protocol which is in a draft form at the moment.

There is a Patients Belongings Form which is filled in when patients are admitted and their belongings recorded. It is signed by the admitting nurse and kept in the ward. When the patient is released the Patients Belonging form is cross checked, patients belongings are given to the patient or relative and they sign the form indicating that they have received the belongings and the form goes into the patients files.

As for the belongings that are left in the hospital, the recorder is to locate the files of all the patients whose name appears on list. From the files patients address and contact will be noted down. These patients will be contacted individually and their belongings returned.

We will ensure that a list of patients who cannot be located will be sent to your office for further necessary action to be taken.

19.28 Patients Cash 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.⁴⁵ Each payment of trust money must be supported by an expenditure voucher which contains details of, date, payee, amount and the reason for payment.⁴⁶

The hospital keeps a trust fund account known as Patients Cash. This trust account keeps all patients cash when they are admitted to the hospital for safe keeping and are refunded to them upon their discharge.

The following irregularities were noted in the maintenance of this trust fund account:

- (1) No payment vouchers were raised or signatures of patients sighted in the register to substantiate the legitimacy of cash refunded to patients on discharge. Refer to Table 19.21 below for examples.

TABLE 19.21: VOUCHERS NOT RAISED OR SIGNATURES SIGHTED FOR THESE PAYMENTS

Date Received	Receipt No.	Payee	Amount \$	Remarks
28/01/06	438823	Kishore Kumar	40.00	Refund on 15/03/06. No evidence or signature from the Payee of the amount being refunded.
12/04/06	438833	Maika Cama	74.00	Refund on 18/04/06. No evidence or signature from the Payee of the amount being refunded.
30/05/06	438837	Shabnam Lata	60.00	Refunded on 20/06/06. No evidence or signature from the Payee of the amount being refunded.
24/07/06	438849	Mohammed Imran	54.20	Refunded on 03/08/06. No evidence or signature from the Payee of the amount being refunded.
04/07/06	438845	Lynette Politini	60.00	Refunded on 07/08/06. No evidence or signature from the Payee of the amount being refunded.
15/05/07	435524	P.P.Hottceni	88.72	Refunded on 05/07/07. No evidence or signature from the Payee of the amount being refunded.
24/07/07	435527	Suliasi Naqaqa	100.00	Refunded on 07/09/07. No evidence or signature from the Payee of the amount being refunded. Staff Nurse signed.
23/08/07	435528	Sereima Ravu	94.14	Refunded on 01/11/07. No evidence or signature from the Payee of the amount being refunded. Staff Nurse signed.
15/02/08	435531	Asea Cavuilati	7.80	Refunded on 15/2/08. No evidence or signature from the Payee of the amount being refunded. Orderly signed.
04/06/08	435536	Rupeni Taira	50.00	Refunded on 06/06/08. No evidence or signature from the Payee of the amount being refunded. Not entered in the register
02/09/08	435542	Seru Kulaca	20.00	Refunded on 08/06/08. No evidence or signature from the Payee of the amount being refunded. Not entered in the register

⁴⁵ Section 3 – Finance Instruction 2005

⁴⁶ Section 5 – Finance Instruction 2005

- (2) No monthly reconciliation was produced to audit for verification for the year ended 31/12/08 and the date of the last reconciliation could not be determined. Bank reconciliation for 2007 and 2008 were also not provided to audit.
- (3) The audit could not ascertain the lodgement of the following receipts as they do not appear in the cash analysis sheet. As earlier stated, the bank statement for 2008 was not produced to audit and therefore these receipts cannot be traced to the bank statement.

TABLE 19.22: RECEIPTS NOT APPEARING IN BANK STATEMENT

Date	Receipt No.	Received From	Amount \$
05/07/07	435526	Etika Vakasilum	20.00
23/08/07	435529	Mataiyasi	11.50
28/08/07	435530	Surem Pande	10.00
21/05/08	435533	Jagdish Chand	20.00
22/05/08	435534	Kushma Lata	10.00
22/07/08	435537	Joe	20.00
04/08/08	435538	Jai Prakash	6.16
25/08/08	435541	Tomasi Fafetu	36.00
05/08/08	435540	Saula Naitavuni	10.00
19/09/08	435543	Tomasi Lutumailagi	5.00
19/09/08	435544	Poasa Tuinakelo	10.00
20/09/08	435546	Kalesi Tabua	488.48
01/10/08	435547	Lemeki Roko	6.27
14/10/08	435548	Lemeki Roko	80.80
25/11/08	435549	Sital Prasad	2.50
25/11/08	435550	Nevele Smith	31.60
26/11/08	435601	Nevele Smith	83.05
26/11/08	435602	Pita Rakuita	1.45
26/11/08	435603	Dhurup Lal	8.68
Total			861.49

- (4) The following receipts were marked cancelled, however the original copy of the receipts were not attached to the receipt book; thus audit could not ascertain the validity of the cancellation of these receipts.

TABLE 19.23: CANCELLED RECEIPTS

Date	Receipt No.	Payee	Amount \$
---	435516	---	---
---	435523	---	---
01/06/07	435525	---	110.00

The Executive Officer was performing several duties which include maintaining of all trust fund records i.e. revenue receipt, recording and lodgement of cash collected and there is no evidence to indicate that the records were checked by her supervisors, divisional accounts section and the internal audit on a regular basis.

The trust fund procedures were breached, resulting in the above irregularities. There is also a possibility that the funds could have been misappropriated.

Recommendations

- **The Ministry should further investigate this matter and if warranted take necessary action against the responsible officer.**
- **Monthly reconciliations should be prepared and regularly checked by the Headquarters accounts section undertaken.**
- **All lodgements should be scrutinised by the supervisor before and after the banking.**
- **The Bank reconciliations and the bank statements should be provided to audit for verification**
- **All cancelled white copies of the receipts should be attached to the receipt book.**
- **Section 3 and 5 of the Finance Instruction should be strictly complied with.**

Ministry's Comments

The former Executive Officer, Mereia Rasogo, was responsible for operating the above two accounts. In December 2008 it was discovered that funds had gone missing and the matter was reported to the police.

Police investigated the matter and charged the former E.O. The matter is in Court at present. The officer had been terminated from service pending issues in-regards to surcharge of the supervisors in which we have informed the Internal Audit Inspection, MoF to investigate and return for further necessary action. We still await response from MoF till to-date.

19.29 Patients Comfort Trust Fund Accounts

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.⁴⁷ Each payment of trust money must be supported by an expenditure voucher which contains details of, date, payee, amount and the reason for payment.⁴⁸

The hospital keeps a trust fund account known as Patients Comfort Fund. This trust account keeps all the donations, fundraising and the charity money received from the general public. These funds are used for buying patients medication which are unavailable at the pharmacy, diapers for elderly patients and paying fares upon discharge.

The following irregularities were noted in the maintenance of this trust fund account:

- (1) The amount withdrawn from this account was in excess of the approved amount. Variance of \$17,684.80 was noted between the approval records and the bank statement. Refer to **Appendix 19.5** for details. There is a possibility of fraudulent activity practiced by the Executive Officer.
- (2) No monthly reconciliation was prepared for the year ended 31/12/08. Also audit could not ascertain as to when the last reconciliation was prepared by the Hospital.
- (3) The lodgement of the following receipts could not be verified as they do not appear in the cash analysis sheet. Refer to **Appendix 19.6** for details.
- (4) The following receipts were marked cancelled, however the original copy of the receipts are not attached to the receipt book; thus audit could not ascertain the validity of the cancellation of these receipts.

⁴⁷ Section 3 – Finance Instruction 2005

⁴⁸ Section 5 – Finance Instruction 2005

TABLE 19.24: CANCELLED RECEIPTS

Date	Receipt No.	Payee	Amount \$
19/07/07	438784	N/A	N/A
13/03/07	438777	N/A	N/A
06/08/07	438776	N/A	50.00

The Executive Officer was performing several duties which include maintaining of all trust fund records i.e. revenue receipt, recording and lodgement of cash collected. Audit could not authenticate whether the records were checked by her supervisors, divisional accounts section and the internal audit on a regular basis.

The above indicates that the trust fund procedures were breached, resulting in the above irregularities. There is also a possibility that the funds could have been misappropriated. These irregularities could have been occurring in previous years without being detected.

Recommendations

- **The Ministry should further investigate this matter and if warranted take necessary action against the responsible officer.**
- **Monthly reconciliations should be prepared and regularly checked by the Headquarters accounts section.**
- **All lodgements should be scrutinised by the supervisor before and after the banking.**
- **The Bank reconciliation and the bank statement should be provide to audit for verification**
- **All cancelled white copies of the receipts should be attached to the receipt book.**
- **Section 3 and 5 of the Finance Instruction should be strictly complied with.**

Ministry's Comments

The former Executive Officer, Mereia Rasogo, was responsible for operating the above two accounts. In December 2008 it was discovered that funds had gone missing and the matter was reported to the police.

Police investigated the matter and charged the former E.O. The matter is in Court at present. The officer had been terminated from service pending issues in-regards to surcharge of the supervisors in which we have informed the Internal Audit Inspection, MoF to investigate and return for further necessary action. We still await response from MoF till to-date.

19.30 Discrepancies in Lodgement

If a receipt is spoilt, it shall be marked “cancelled” and retained in the receipt book.⁴⁹ The banking officer shall bank the money received on a daily basis at least.⁵⁰ The lodgement forms shall be checked and signed by the accounts supervisor (who must not also be responsible for collecting revenue).⁵¹

The source of revenue for the Hospital is through the recovery of the telephone bills (miscellaneous item) and the medical report fees.

⁴⁹ Section 5.3.5 – Finance Manual 2005

⁵⁰ Section 5.4.1 – Finance Manual 2005

⁵¹ Section 5.4.2 – Finance Manual 2005

The following receipts were marked cancelled, however the original copy of the receipts were not attached to the receipt book; thus audit could not ascertain the validity of the cancellation of these receipts. Refer to Table 19.25 below for details.

TABLE 19.25: CANCELLED RECEIPTS

Date	Receipt No.	Received From	Amount \$	Remarks
29/09/08	749217	Mrs Curtis	5.00	Medical Report Fees
18/11/08	749225	Quinton Ho	2,165.28	Reimbursement of the air fare The reimbursement was also made in following currency USD 1,200/0.5542 = FJ \$ 2,165.28 Peso 3,900/26.8957 = FJ \$145.00
			145.00	
			130.00	
Total			2,445.28	

In addition, audit could not ascertain the lodgement of the following receipts as they do not appear in the cash analysis sheet:

TABLE 19.26: RECEIPTS NOT APPEARING IN CASH ANALYSIS SHEET

Date	Receipt No.	Received From	Amount \$	Remarks
29/09/08	749218	MS St Giles	5.00	Medical Report Fees
	749226	MS St Giles	2.10	Retirement of Imprest
	749227	Kalailagi Vuniwaqa	5.00	Medical Report Fees
	749228	Suresh Prasad	5.00	Medical Report Fees
Total			17.10	

The Executive Officer was performing several duties which include maintaining of all trust fund records i.e. revenue receipt, recording and lodgement of cash collected. Audit could not authenticate whether the records were checked by her supervisors, divisional accounts section and the internal audit on a regular basis.

The above indicates that the trust fund procedures were breached, resulting in the above irregularities. There is also a possibility that the funds could have been misappropriated. These irregularities could have been occurring in previous years without being detected.

Recommendations

- **The Ministry should further investigate this matter and if warranted take necessary action against the responsible officer.**
- **All lodgements should be scrutinised by the supervisor before and after the banking.**
- **All cancelled white copies of the receipts should be attached to the receipt book.**

Ministry's Comments

The same officer was also involved here and has been removed from the hospital. Police investigated the matter and charged the former E.O. The matter is in Court at present.

COLONIAL WAR MEMORIAL HOSPITAL

19.31 Old and Damaged Machines and Equipments

The Ministry should provide adequate resources, such as good machines and equipments to provide people of Fiji with quality health services.

The audit noted that there is a need for urgent maintenance and replacement of numerous machines and equipment currently used in the hospital as these pose risks to the staffs and hinder the quality health services provided to patients. Refer below for the following machines and equipment that need urgent repair or replacement.

(1) Mortuary

Two compartments where the bodies are kept cannot be locked as the doors are damaged. The Structure or frame for the mortuary cabinet and also the inside trays where the bodies are kept is deteriorating and slowly eroding away. Refer to the illustration below.



Cooler not working for more than 10 years

(2) Kitchen

- 2 deep fryers are not working.
- Steamers are really old and leaking.
- 2 food warmer machine not working.
- Food trolleys really old and some parts damaged and missing.
- Meat cutter not working and the workers have to use the knife instead to cut large quantity of meat everyday.
- Cooler not working for more than 10 years.
- Ice machine and three urns not working. Refer to the pictures below.



Meat Cutter not working



Food Trays are very old and rusty



Steamers are very old and leaking

(3) Laundry

Only 2 of the 6 dryers at CWM are currently operating. Laundry machines are also old and leaking and the workers have to block it with clothes to stop the spreading of the dirty laundry waters into other working areas. Refer to the illustrations below.



The old and out of order dryer



Clothes used to stop leakage from the laundry machine.

(4) Physio Department

The physio pool has not been in operation since late 90's. According to the head Physio Therapists, exercising in the pool is very much recommended for their patients. Refer to the illustration.



Pool not in operation

(5) Elevator

Tailevu and Namosi Ward elevator is not working. Nurses sometimes use the kitchen elevator to transfer patients. Refer to pictures below.



Elevator not working – Tailevu and Namosi Ward.

The above indicates that Ministry is relying on the existing machines and equipments thus failing to realise and cater the needs of growing population.

Lack of proper machines, equipment and facilities in place could hinder and compromise the quality health service delivery and also cause undue inconvenience and frustration which affects the staff morale and productivity.

Recommendation

The Ministry should make an effort to replace or repair the above items to ensure quality health service delivery.

Ministry's Comments

Mortuary

The Boiler Supervisor at CWM Hospital has assessed the problems found at the mortuary and has recommended that a private company be engaged to carry out the renovation work required to be done. At present, we are in the process of acquiring quotations and the work will be carried out once the fund is released from headquarters.

Kitchen

The initial write off statements for the following equipment have been missing and cannot be located. The CWM Hospital's new board of survey team has re – inspected the machines on 31/08/09 and we will request headquarters for replacements.

<i>Deep dryers</i>	-	<i>Written off</i>
<i>Steamers</i>	-	<i>Written off</i>
<i>Food warmer</i>	-	<i>Written off</i>
<i>Meat Cutter</i>	-	<i>It is functioning well</i>
<i>Ice Machine</i>	-	<i>Written off</i>
<i>3 Urns</i>	-	<i>Written off</i>

Laundry

An advice has been received from the Hon. Minister for Health that the new Laundry machines will arrive in Fiji at the end of this September 2009. In terms of the general maintenance of the building, presently, we are in the process of purchasing the required materials and the maintenance work will commence in mid September 2009.

Physiotherapy Pool

The upgrading of the physiotherapy pool is not included in the CWM Hospital's priority capital project listing for the year 2010. However, the engagement of sponsors to upgrade the pool has been frequently discussed in the Board of Visitors meeting.

Elevator

The tender process has been closed and the Major Tender Board is in the process of selecting a suitable company to supply and install the new elevators at the Lancaster Ward, Old Operating Theatre and Tailevu Namosi Ward.

19.32 Obsolete Medical Equipments

To provide quality health services for the people of Fiji through a strengthened divisional health structures.⁵²

⁵² Ministry of Health's Mission Statement.

The audit of medical equipment records prepared by CWM noted that numerous medical equipments which are currently used at CWM hospital are in need of urgent replacement. Majority of these equipments has already served beyond its useful life.

A number of medical equipments are held under repair. This has been an on going problem faced by the hospitals throughout the year.

Furthermore, the hospital is in urgent need of the following essential medical equipments:

TABLE 19.27: URGENTLY NEEDED MEDICAL EQUIPMENTS

Machine	Qty in Use	Qty Needed	Comment
CTG machine	1	16	According to Matron Maternity, there is only one CTG working at the moment. And this is shared by Antenatal ward, Morrison, Labour and ICU ward when they should be having four each in their ward. The machine is used for monitoring Baby's heart and is very essential as they used it after every four hours.
Infusion Pump	All are very old and faulty	8	Very essential especially for labor ward and ICU. It is used to pump medicine or drugs inside the drip for very serious cases.
Portable incubator	none	4	There is none for the hospital at the moment. 2 incubators are needed in the labour ward and 2 in the Intensive care unit.
Infant Warmer	1	4	There are 4 labour rooms in the Labour Ward and they should have 1 infant warmer each. But at the moment only one room has the infant warmer.
Transport incubator	1	3	Only 1 working but then its warmer is not working. So nurses have to wrap the baby properly to keep it warm while transferring the baby. 3 more is needed.
ECG machine	1	3	There is only 1 at the moment which is at Morrison ward. Labour, Antenatal and ICU ward should have 1 each too, but they all sharing one. The machine is used for reading the cardiac (heart) rhythm of the baby.
Pulse oxy meter	1	3	Only 1 at ICU. Should be one each at Morrison, Antenatal and Labour wards too. This is used to read the oxygen saturation of the patient.
Emergency trolley	4	8	This is for keeping drugs/medicines for emergency cases. The wards need a few more as the ones currently used are very old and faulty.

New and latest technologies and equipments are needed to ensure quality health services delivered to the public.

Lack of essential medical equipments in hospitals could lead to wrong diagnoses and in extreme cases loss of life and hence could subject Ministry to avertable lawsuit.

Recommendations

- **The Ministry should seriously consider replacing or supplementing the existing medical equipments.**
- **The essential medical equipments that are needed at the CWM hospital should be given urgent attention.**

Ministry's Comments

The head of bio – medical engineering unit here in CWM Hospital has confirmed that there is a five [5] years replacement plan for medical equipments for the year 2009 and the following machines have been ordered for CWM Hospital.

*8 CTG machines
25 infusion pump
2 portable incubators
3 Infant warmers
12 Transport incubators [Requested in 2010 budget]
10 ECG machine
10 Pulseoximeter.*

The order # MD 1219/09 has been forwarded to the supplier Yuil Trading Co – operation for their prompt action after the approval from the Ministry of Finance is obtained.

19.33 No Written Agreement for Canteen Operation

A written contract or agreement must be entered into with the approved tenderer for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement unless the CEO approves otherwise in writing.⁵³

The audit noted that Operation Food for Life operates a canteen at the Maternity Ward without any written contract or agreement. Since its occupation in 2006, no rent has been charged to the canteen owners. In addition, no efforts have been made from the hospital to recover the lost rent.

This issue was raised in the previous years audit report where the Ministry commented that a new tender will be called. However, as at the audit date⁵⁴, no tender was called.

The above indicates blatant disregard of the audit recommendation by the Ministry and the decision to continue the canteen services with the Operation Food for Life without any agreement or contract arouse suspicion. Also there is a loss of potential revenue as no rent is charged.

Recommendations

- **The Ministry should ensure that a new tender is called for and the contract is awarded in a transparent manner.**
- **The Market rent should be charged with immediate effect and the outstanding rent arrears should be negotiated and recovered.**

Ministry's Comments

In accordance with the Health Inspectors recommendation, the toilet facilities for the respective canteen are required to be initially built prior to calling the tender. At present the Planning Unit in headquarters are working on the purchasing of the materials required for the building of proper toilet facilities.

⁵³ Section 2.4.16 – Finance Manual 2005

⁵⁴ 30 April 2009

19.34 Incinerator

Every employer shall ensure the health and safety at work of all his/her employees. Employees are not exposed to risks to their health or safety while they are at his/her workplace. Employers are to provide and maintain a working environment that is safe and without risks to health and adequate as regards to facilities for their welfare at work.⁵⁵

The incinerator at the CWM Hospital is used to dispose of bio hazard items such as used injections, amputated body parts, labour ward waste, infectious waste and foetus. This incinerator serves the central/eastern division and is also hired by the Suva Private Hospital.

Some wards towards the galley and the kitchen are usually affected by the thick black smoke emitting out from the incinerator. It was revealed that the operator does not have proper time to operate the incinerator.

The Suva Private Hospital is charged \$20 per hour to use the CWM incinerator during the weekend. No approval was sought from Ministry of Finance on the rate charged to Suva Private Hospital.

In addition, a sum of \$316,125 was allocated in 2008 budget provisions for the purchase of the new incinerator. However, as at the audit date⁵⁶, a new incinerator has not been purchased.

Thick black smoke emitting out from the incinerator could affect the staffs and patients health and exposes the Ministry to heavy lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- **The Ministry should consider either installing the environment friendly incinerator or shifting the existing incinerator to a suitable location.**
- **The approval should be sought from the Ministry of Finance on the rate charged to Suva Private Hospital for the use of the incinerator.**

Ministry's Comments

The incinerator ashes have been disposed of at the Naboro Landfill and we are also arranging for the servicing of its burners by the relevant overseas company to avoid the emission of thick black smoke. A submission will be submitted to the Ministry of Finance to seek their approval for the charges that has been made to the Suva Private Hospital for their clinical waste disposal. The comments or response in terms of the 2008 budget provision for the purchasing of the new incinerator should be obtained from the Ministry of Health's Planning unit.

19.35 Mortuary

The CWM has two mortuaries and could cater 24 corpses at any given day. The policy is to keep the dead bodies in the mortuary for a period of 2 days only.

Audit inspection of the mortuary noted the following:

- Both mortuaries are over 20 years old and have served beyond its useful life. The old mortuary was constructed in 1973 and the new one was constructed in 1979.

⁵⁵ Occupational Health & Safety at Work Act, Section 9 & 10

⁵⁶ 27 February 2009

- The hospital is facing difficulties in storing the corpses. On 12/02/09, audit noted that 31 corpses were kept in both the mortuaries and were rotated on every 2 to 4 hours.
- The 2 day policy could not be strictly adhered to due to the financial constraint of families, police investigation and the non arrival of the immediate families to pay the final tribute to the deceased.
- There is a shortage of pathologists encountered by the hospital. The Ministry is currently served by one pathologist and has 2 vacant pathologist positions.

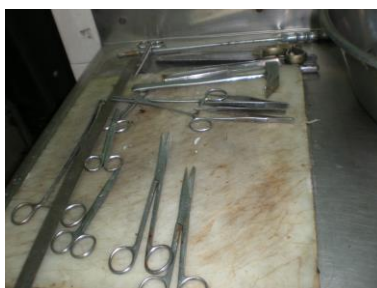
Furthermore, it was noted that majority of the tools and equipment in use are either old or need urgent repair and maintenance. Refer below for details:

- The old and derelict post mortem table being used for post mortem of the corpses.
- Old tools such as saw and scissors are used thus causing difficulties in cutting open the corpses.
- The main door of the mortuary needs repairing as it is rusty and the rubber has deteriorated. This allows warm air to enter inside and thus affecting consistency of the temperature.
- The door of two compartment trays of the mortuary are not working thus it remains open.
- The exhaust fan in the mortuary is not working thus the smell of the decay corpses could not be released outside.
- Trolley that is used to carry corpses is not working. New trolley is needed that could lift the corpses to the top compartments. The mortuary attendant finds difficulty in lifting big and heavy corpses.

Refer to the illustrations below:



Rusted Mortuary Doors



Old Tools



Faulty exhaust Fan in Mortuary

In addition, the audit noted that a sum of \$600,000 was allocated for the Extension of Mortuary in the 2008 budget however, as at the audit date⁵⁷, the extension of the mortuary has not eventuated. It was revealed that the Ministry is still at the planning stage of the project.

Delay in the extension and repair and maintenance work at the two mortuaries could result in the Hospital not able to cater for the current need due to increase in mortality rate.

Recommendations

- **The Ministry should seriously consider the extension of the Mortuary.**
- **Also repair and maintenance work to be carried out on the existing two mortuaries as soon as practicable.**
- **The old tools should be replaced to ensure more efficient post mortem services.**
- **The vacant pathologist position to be filled given the availability of the funds.**

Ministry's Comments

Extension of Mortuary

⁵⁷ 12 February 2009

Another submission will be submitted to Permanent Secretary for Health to seriously consider the extension of the Mortuary.

Maintenance of the existing mortuary

We are in the process of acquiring the relevant quotations and its maintenance work will be carried out as soon as the funds are released from headquarters.

Replacing of old tools

The CWM Hospital's board of survey team has been informed to inspect the respective old tools and its replacement would be purchased once a written confirmation is received from them.

HEADQUARTERS

19.36 Wages Reconciliation

The Accounting Head must ensure that payroll reconciliations are carried out fortnightly for salaries and weekly for wages and copies sent to the Ministry of Finance.⁵⁸ Salaries and wages reconciliation should be prepared on a regular basis in order to detect and take appropriate actions on fraud/error immediately otherwise the recovery may not be possible if the officers resign or retire from the service.

The audit noted that Headquarters failed to prepare and submit their wages reconciliation since 2005 despite this being highlighted in the previous audit reports and reminders received from Ministry of Finance. Furthermore, as at the audit date⁵⁹ the following stations did not submit their wages reconciliations for 2008:

TABLE 19.28: STATIONS NOT SUBMITTING THEIR WAGES RECONCILIATIONS

Station	Comments
CWM Hospital	Reconciliation for pays 50 – 52 not submitted
Tamavua Hospital	Reconciliation for pays 26 – 52 not submitted
OPH Samabula	Reconciliation for pays 10 – 52 not submitted.
St Giles Hospital	Reconciliation for pays 32 – 52 not submitted.
Vunidawa Hospital	Reconciliation for pays 5 – 52 not submitted.
DMOCE	No submissions
Nausori Hospital	Reconciliation for pays 5 – 52 not submitted
Wainibokasi Hospital	No submissions
Korovou Hospital	Reconciliation for pays 13 – 52 not submitted
Navua Hospital	Reconciliation for pays 2 – 52 not submitted
Suva Subdivision	No submissions
Levuka Hospital	Reconciliation for pays 9 – 52 not submitted
Kadavu Hospital	Reconciliation for pays 18 – 52 not submitted
Rotuma Hospital	Reconciliation for pays 5 – 52 not submitted
Lakeba Hospital	No submissions
Lomaloma Hospital	No submissions
Head Quarters	No submissions
FSN	Reconciliation for pays 25 – 32 not submitted
Virus Lab	No submissions

⁵⁸ Section 26 (7) – Finance Instructions 2005

⁵⁹ 31 March 2009

Station	Comments
Lautoka Hospital	No submissions
Labasa Hospital	No submissions
Taveuni Hospital	No submissions

The absence of regular wages reconciliations may result in undetected errors, fraud and salary overpayments, to name a few.

Recommendations

- **The Ministry should carry out all wages reconciliations in accordance with Finance Instruction 26 (7).**
- **Disciplinary action should be taken against the Officer(s) responsible for the delay in preparation of the wages reconciliations.**

Ministry's Comments

Your finding is noted and we have notified all the Divisions and Sub-divisions on the importance of this report. A circular to the delay of returns and reconciliation dated 23/2/09 was distributed again and officers delaying this work will be disciplined. Copies of this report had been sent to all the Accounting heads for further necessary action.

19.37 Recovery of Overtime Paid to Dieticians

Any sum or sums due by an Officer to Government may be deducted by the Permanent Secretary for Finance from salary due to such Officer. An Officer shall be given prior notice of such action being taken.⁶⁰

The 2006 Auditor Generals Report highlighted that 4 dieticians at the Lautoka Hospital were paid overtime which they were not entitled to. The Ministry commented that these overpayments would be recovered from the mentioned officers.

However, audit follow up on this issue, noted that only 2 of the 4 dieticians, who were overpaid, namely Ms. Maca Rokomalani and Ms. Makelesi Lala had some portion of their overpayment recovered. As for the other 2 officers, namely Mr. Manor Mani and Ms. Mereamo Tabuya, no deductions were made.

As at the audit date⁶¹, no action was initiated by the Ministry to recover the overpayments from the mentioned officers. As a result, a sum of \$30,597.43 is still outstanding as at 31/12/08. Refer to Table 19.29 below for details.

TABLE 19.29: DETAILS OF OVERPAYMENT RECOVERY

Name	EDP No.	2005 \$	2006 \$	2007 \$	Total \$	Amount Recovered as at 31/12/08 \$	Amount Outstanding as at 31/12/08 \$
Maca Rokomalani	58351	3,463.05	6,010.71	5,292.03	14,765.79	110.10	14,655.69
Mereamo Tabuya	63143	---	4,401.73	3,747.10	8,148.83	---	8,148.83

⁶⁰ General Order 401

⁶¹ 31 December 2008

Name	EDP No.	2005 \$	2006 \$	2007 \$	Total \$	Amount Recovered as at 31/12/08 \$	Amount Outstanding as at 31/12/08 \$
Manor Mani	64459	2,932.51	2,201.40	---	5,133.91	---	5,133.91
Makalesi Lala	90364	---	---	2,779.00	2,779.00	120.00	2,659.00
Total		6,395.56	12,613.84	11,818.13	30,827.53	230.10	30,597.43

The Ministry has failed to take heed of the audit recommendation and honour its commitment, resulting in overpayments not recovered. Prolonged delay in taking necessary action could result in the outstanding amount not recovered from the officers.

Recommendations

- **The Ministry should start the recovery of all the outstanding unauthorized overtime payments with immediate effect.**
- **Also the Ministry should investigate the reasons for the delay in recovering the overpayments from the mentioned officers.**
- **If recovery is not possible, surcharge action should be taken against the officer(s) responsible for the delay in recovery process.**

Ministry's Comments

Overpayment is yet to be fully recovered pending an amount of \$1,732.70 which will continue from Pay 21/09. For Maca Rokolomani the rate of recovery has to be increased to enable full recovery of the balance as the amount is quite substantial. The AO Salary has been informed to increase the recovery rate for Maca Rokolomani which will be carried out in Pay 21/09 together with other officers, Mereamo Tabuya and Manor Mani.

19.38 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.⁶² An officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice.⁶³

A total of \$177,397 as of 31/12/08 was recorded as overpayment of salary by the Ministry of which \$74,979 (42%) was overpayment upon resignation. This is a result of divisional officers failing to advise salaries section at Headquarters on time. Refer to Table 19.30 below for the overpayment breakdown.

TABLE 19.30: BREAKDOWN OF OVERPAYMENTS

Overpayment Upon:	Amount Overpaid \$
Retirement	2,073.20
Resigned	74,978.94
Deemed to resigned	7,220.16
Passed away	3,188.42
Terminated	48,348.77
Leave without pay	14,866.03

⁶² General Orders 222(d)

⁶³ General Orders 222(a)

Overpayment Upon:	Amount Overpaid \$
Did not resumed duty	16,162.11
Missing from work	4,355.85
Study leave without pay	3,255.27
Suspension from duties	2,948.23
Total	177,396.98

Refer to **Appendix 19.7** for details. Similar concerns were raised in the previous years audit report, however no corrective action has been taken by the Ministry to rectify this issue. Audit follow up on the previous year's overpayment noted that in numerous cases the recovery process is yet to be initiated. Refer to **Appendix 19.8** for examples:

Laxity by the station officials has resulted in the overpayments.

Recommendations

- **Disciplinary action should be taken against officers responsible for the overpayment.**
- **The Ministry should implement an effective and efficient communication process between the various hospitals, stations, centres with Headquarters so that all correspondences relating to retirements, resignations, terminations are processed in a timely manner to avoid overpayments.**
- **Concerted effort should be made to recover the overpayments.**

Ministry's Comments

Your findings and recommendations are noted and appropriate action will be undertaken immediately.

19.39 Vacant Posts

As at the date of the audit⁶⁴, the Ministry had 330 vacant positions. The vacant positions ranged from doctors to other support officers. Refer to Table 19.31 below for details:

TABLE 19.31: VACANT POSTS

Position	No. of Post Vacant
Doctors – Consultants to Medical Officers	88
Dental Officers – Principal to Dental Hygienists	29
Nurses - Manager Nursing Services to Staff Nurse	116
Pharmacist- Principal to Pharmacy Assistant	20
Technical Officer – Higher Grade to Assistant	9
Health Officer – Inspectors to Assistant Health Inspectors	8
Physiotherapists - Superintendent Physiotherapists to Junior Therapist	5
Dietician	1
Orderly	8
Secretary	1
Storeman	4
Administrative Post – Admin Officer to Executive Officer	6
Accounts – Assistant Accounts Officer to Clerical Officer	18
Other Support staffs	17

⁶⁴ 16 March 2009

The above table shows that 71% of the vacant post comprised of Doctors, Dental Officers and Nurses.

Prolonged delay in filling the vacant posts could compromise the quality health service delivery and also burden the existing medical staffs with the increased workload.

Recommendation

The Ministry should ensure that vital vacant posts are advertised and filled to ensure efficient and effective health service delivery.

Ministry's Comments

38 vacant positions advertised in 2007 were filled this year.

In 2008 alone, 163 vacant positions were advertised and below is the summary table regarding the vacancies:

<i>Total No. of Posts Advertised in 2008</i>	<i>No. of positions filled in 2008</i>	<i>No. of positions filled in 2009</i>	<i>No. of posts withdrawn</i>	<i>Pending</i>
163	9	104	46	4

Staff turn-over within the Ministry is rather high.

46 [28%] of the advertised positions have had to be withdrawn due to officers not fully meeting the MQR. It is to be noted that new graduates from FSN & FSM in the New Year usually fill in vacant positions at the lower grades. However, vacancies in the higher grades are difficult to substantively fill due to the failure to fully comply with the MQR. Every effort has been made to have all vacant positions advertised this year and Draft Ads are currently with PSC for 109 positions whilst 163 has been submitted for CAF clearance by Ministry of Finance.

Constraints

Majority of the positions were filled in 2009, due to the non-availability of "assessment reports".

19.40 Consolidated Allowance

Consolidated allowances are paid to nurses based at nursing stations, rural areas and not in health centers or urban hospitals. It is normally paid to District Nurses in their area of operation where there is no Medical Officer employed either in the Nursing Station or in Health Centers.

Some nurses were still paid consolidated allowances despite working in urban hospitals and health centres. As at 31/12/08, \$179,207.29 was paid out as consolidated allowances. Of this amount, \$77,398.43 or 43% were paid to nurses who were not entitled to consolidated allowance. Refer to **Appendix 19.9** for details.

Station supervisors failed to inform salaries section about nurse transfers so that payments of consolidated allowances could be ceased. Public funds are wasted as a result of these payments.

Recommendations

- **The supervisor in charge and/or the Personnel Section of the Ministry should inform the Salaries Section immediately upon the transfer of the nurses concerned.**
- **Payment of consolidated allowance to nurses at urban hospitals and health centers should cease immediately.**

- Recoveries should be made from the nurse's salaries immediately.
- The matter should be investigated and the necessary disciplinary action should be taken against the officers found to be negligent in performing their duties diligently.

Ministry's Comments

EDP No.	Name	Station	Amount to be Recovered \$	Comments
33452	ViemaQorovakarua	Waivaka N/S	156.84	To be recovered
33505	Bulou Keleni	Bukuya H/C	247.56	Recovered wef. Pay 15/09
33482	Akariva Ravula	Waiyevo H/C	2,146.30	To be recovered.
33570	Ro Anaseini K	Moturiki N/S	122.06	A/Leave wef.25/8-27/9/08; to be recovered.
33587	Macanawai S	Lomawai H/C	683.10	Due to officer; no MO/NP.
33589	Sera Molikula	Nadi H/C	1,631.76	To be recovered.
22227	Isoa Natui	Nadi H/C	323.84	To be recovered.
33672	Leba Mereani	Kabara N/S	683.10	Due to officer since Aug.05.
33679	Makereta Rosi	Udu N/S	445.60	M/L & A/L; to be recovered.
33718	Roseruvatu A	Onoi Lau N/S	379.50	To be recovered; officer was on leave.
33732	Sera Naiti	CWM H	128.02	To be recovered. Now at Fulaga N/S.
33741	Sokoveti Ravula	Yasawairara N/S	2,063.62	Due to officer since 24/4/07
33748	Tokasa YM	Nacavanadi N/S	501.21	Due to officer.
33764	Timaima Wati	Namarai H/C	2,104.96	No NP/MO; therefore due to officer.
33811	Elenoa. Neioba	Nanoko N/S	665.64	Due to officer.
33917	Nanise Natoga	Lodoni H/C	1,946.62	Recovered wef. Pay 10/09.
33948	Angilina Sophie	Navua H/C	215.32	To be recovered.
33804	Atelini Naini	Vunivutu N/S	843.78	Due to officer
33925	Rajesh.Chand	Cikobia N/S	1,469.93	Due to officer.
34015	Loata Marama	Yaqeta N/S	361.68	Due to officer.
33924	Ifereimi R	Naweni N/S	1,245.76	Due to officer.
33807	Denisia Naikusa	Momi N/S	1,954.69	Due to officer since 3/9/07
31492	Yabakidua T	Wainikoro H/C	1,645.02	To be recovered.
31644	Bernadette LN	Moala H/C	1,450.96	Recovered wef. Pay 15/09.
31763	Vere Miriama	RKS N/S	207.28	Due to officer.
321.91	AlanietaSenicagi	Nausori H/C	632.70	Recovered wef. Pay 15/09.
32347	Daiana Rainima	Nabasovi N/S	745.41	Recovered wef. Pay 7/09.
32478	Bentitai.Tarome	CWMH	732.32	Recovered wef. Pay 19/08.
32483	Vani Rainima	Lika/Yswa H/C	399.88	Due to officer since 23/7/05
32588	Unaisi Basecala	OPH-Lbsa	1,744.86	Due to officer; O/T not pd.
32650	Duilomallisapeci	Somosomo N/S	911.26	FSN (PH); recovered wef. Pay 14/09.
32821	Tokasa Belebele	Soso N/S	457.08	FSN (Midwif); to recover portion.
33038	Milika Qilu	Ravitaki N/S	1,587.56	Due to officer.
33057	Repeka Tinaisoni	Naweni N/S	1,587.56	Due to officer wef.2005 - 09.
33081	Viniana Qalo	Narokorokoyawa	1,436.76	Due to officer
33120	Iliseva Labalaba	Korovisilou H/C	325.08	To be recovered; was @ Navua H
33177	Salote Roma	Naqara N/S	1,436.76	Due to officer wef. 2004
33202	Unaisi Mateinai	Nausori H/C	398.86	To be recovered.
33207	Vitalina R	Labasa Hospital	177.78	To be recovered.
33214	Jovilisi Qiboni	Vumidawa H/S	1,365.00	To be recovered.
33235	Asenaca Adi	Natewa H/C	829.64	To be recovered
33239	Divuso Turaga	Sgtka H/S	1,540.76	To be recovered
33251	Jone Vakasa	Kabara H/C	1,540.76	To be recovered.
33286	NoraVasuikorolevu	Narocake N/S	645.44	Due to officer wef.4/6/07 till todate.
33364	Inise Teira	Navua H/C	1,973.40	To be recovered.
33590	Sera Vodoimuri	Dogotuki N/S	1,369.50	Due to officer since 2007.

<i>EDP No.</i>	<i>Name</i>	<i>Station</i>	<i>Amount to be Recovered \$</i>	<i>Comments</i>
33331	Vika Seru	Namau N/S	2,224.61	Due to officer wef. Nov.07 – Feb.09.
33463	Lusia Vakataukale	Bua N/S	1,492.18	Due to officer
33361	Fulori Leweni	Wainibokasi H	2,184.76	Recovered wef. Pay 12/08.
33776	Latileta Salia	Dobuilevu N/S	1,434.09	Due to officer.
33825	Kessaia Rogoyawa	Mualevu N/S	1,976.49	Due to officer.
33903	Ulamila Naulivou	Yalobi N/S	1,875.57	Due to officer; @ Yalobi wef. 24/12/07
33970	Dali Tabua	Lbsa Hosp	966.28	To be recovered
32135	Talanuku K	Namuamua N/S	2,693.69	To be recovered
32614	Liku Vonokula	Tokaimalo N/S	2,587.00	Due to officer
33311	Sera Tamoi	Mokani H/C	623.12	To be recovered
34058	Ro Iva Q	Vunisea H/S	1,417.01	Due to officer
34064	Rusila Aditora	Soso N/S	1,417.01	Due to officer
34036	Miliana Tuvou	Namara N/S	1,731.62	Due to officer
32482	Vakaloloma Yavala	Beqa H/C	1,196.34	Due to officer.
33611	Ateca Bull	Bagasau N/S	1,941.36	Due to officer since 17/10/07 todate.
33243	Emeline V	Suva H/C	1,367.21	To be recovered
32724	Mereadani M	Vunidawa H/C	237.80	To be recovered
33695	Naomi Qalotaki	Taveuni Hosp	1,531.29	To be recovered
34017	Losalini Popua	Kioa N/S	228.90	Due to officer
34123	Wilfred Vono	Cicia N/S	152.60	Due to officer

19.41 Failure to Initiate Disciplinary Action

An employee must use Government resources and assets in a proper way.⁶⁵ An employee must not make improper use of official information or of the employee's duties, status, power or authority in order to gain or seek to gain, a benefit or advantage for the employee or for anyone else.⁶⁶ An employee must behave honestly and with integrity in the course of employment in the public services.⁶⁷

The audit noted that a number of staffs were implicated in various disciplinary cases. However, some staffs are yet to be disciplined by the Ministry, whilst others disciplined leniently.

Some staffs implicated were either terminated or left the Ministry without the misappropriate sum being recovered from them. In addition, some of these cases were not reported to police whilst those reported are yet to be resolved. Refer to **Appendix 19.10** for details.

Failure to take timely and appropriate action would allow room for repetition of cases and could serve as a deterrent to other would be offenders. Also prolong delay allows the offenders to escape without being disciplined.

Recommendations

- **The Ministry should investigate the cases highlighted by audit and take appropriate actions against the officers implicated.**
- **The senior officers who failed to instigate disciplinary actions highlighted by audit should also be disciplined.**

⁶⁵ Public Services act – 1999, Section 8

⁶⁶ Public Services Act – 1999, Section 10

⁶⁷ Public Services Act – 1999, Part 2, Section 1

- **The Ministry should make a concerted effort to recover the amounts misappropriated despite the employee being terminated or resigned from service.**

Ministry's Comments

(1) Alipate Drulidruli

The officer was terminated by the Public Service Commission after his hearing at Labasa held on 10/07/08.

TERMINATED

(2) Ana V. Qadrodro

Warning letter forwarded to the officer on 17/01/08. Recovery was affected on pay 1 of 2008 and completed in February of 2009.

FULLY RECOVERED

(3) Misaele Tuinaqidamu

The officer was terminated due to the seriousness of the offence committed at CWM Hospital.

TERMINATED

(4) Mere Marama

The officer has been transferred to FPS wef 24/12/08 and issued with a warning letter.

(5) Jitendra Lal

The officer was terminated together with Alipate Drulidruli by the Public Service Commission after his hearing at Labasa held on 10/07/08.

TERMINATED

(6) Salote Takala

The officer was charged and she replied to the charges on 14/04/08. The Disciplinary Committee deliberated on her case and agreed that she should be warned for her misconduct & to work under supervision.

1st WARNING issued & TRANSFERRED to LAUTOKA HOSPITAL

(7) Amelia Turagabeci

She was deemed to have resigned from the service with effect from 28/01/08 for continuous absence from work.

TERMINATED (DEEMED TO HAVE RESIGNED).

(8) Ashad Ali

The Disciplinary committee deliberated on his case and agreed that he be cautioned for his attendance/late arrivals.

CAUTION LETTER (DATED 12/02/08)

(9) Ashad Ali

Letter to be written to officer to explain his actions and why he should not be surcharged.

19.42 Pending Previous Years Disciplinary Cases

An employee must use Government resources and assets in a proper way.⁶⁸ An employee must not make improper use of official information or of the employee's duties, status, power or authority in order to gain or seek to gain, a benefit or advantage for the employee or for anyone else.⁶⁹ An employee must behave honestly and with integrity in the course of employment in the public service⁷⁰.

⁶⁸ Public Service Act -1999, Section 8

⁶⁹ Public Service Act-1999, Section 10

⁷⁰ Public Service Act 1999, Part 2, Section 1

Our follow up on previous year's disciplinary cases noted that a number of cases are yet to be resolved. These cases have been pending for quite a considerable period of time. Some of the staffs implicated had left the Ministry.

The Ministry had not taken disciplinary and surcharge actions despite a commitment made during the discussion of the previous audit reports. Refer to the **Appendix 19.11** for details.

Failure to take prompt action against the officers implicated indicates elements of favouritism which could be catalyst to abuse of public funds and could serve as a deterrent to other would be offenders. Also prolong delay allows the offenders to escape without being disciplined.

Recommendations

- **The Ministry should investigate the cases highlighted by audit and take appropriate actions against the officers implicated.**
- **The senior officers who failed to instigate disciplinary actions highlighted by audit should also be disciplined.**

Ministry's Comments

<i>EDP/ TPF No.</i>	<i>Name</i>	<i>Status</i>	<i>Action Taken/ Recommendation</i>	<i>Result/Progress</i>
64359	<i>Naushad Buksh</i>	<i>Forging Quotations and fraudulently assisting associate companies with \$38,442 worth of procurements</i>	<i>The officer to be transferred away from FPS pending the outcome of the Police investigation.</i>	<i>The officer's case was reported to the Police and the officer has been taken in for questioning a few times at the Central Police Station. The Ministry will be informed on the progress of the case once all the relevant evidence are received/located.</i>
45858	<i>Matai Matakitoa</i>	<i>Authorized \$54,661 to J.J Roedan Ace and \$4000 to SDA youths without any authority.</i>	<i>No action taken to date.</i>	<i>The payment of the \$4,000 was done by Mr. Matakitoa since he was the Accountant at the time however the authorizing officer was Mr Tamanitoakula. The SDA youths were brought in by Mr Alipate Gonerogo on the approval of Mr Tamanitoakula. The \$54,661 paid to J.J Roedan was paid out by Mr Matakitoa since he was the Accountant at the time however the authority was given by Mr Tamatoakula and Dr Tuiketeti.</i>

<i>EDP/ TPF No.</i>	<i>Name</i>	<i>Status</i>	<i>Action Taken/ Recommendation</i>	<i>Result/Progress</i>
45858	Matai Matakitoa	Split LPO's whilst repairing a Dental Caravan GM 385 at Marine Motors for \$11,890.	The officer was suspended and charged by the Ministry.	The officer was REINSTATED and REPRIMANDED by the Public Service Commission after his hearing on 09 th July 2009. He was reinstated to Ministry of Agriculture. The Commission requested the Ministry to conduct further investigation on the same and to identify the officers responsible for the repairs. The investigation report has been forwarded to the Commission for deliberation and decision.
LPO #48374 18/8/06	Health Staff	Paid Raiwaqa Buses Limited for cost of hiring 60 seater bus for taking the Ministry Choir to the Methodist Church Annual Conference from Suva/Nausori/Suva for the total sum of \$250.00	To recover the cost of the bus from Committee members responsible	Committee members responsible to be directed to pay or face disciplinary action.
LPO #36150 10/28/05	Health Staff	Paid Siteri's Catering Services for cost of providing catering for the Ministry of Health's Sports Day. Dinner on 29/10/05 for \$700 people @ \$7.50 and lunch for 400 people @ \$7.50 = \$8250x 50% = \$4125	It was agreed to recover money from those officers responsible.	The payment was approved by the than Minister, Mr Solomonai Naivalu and the PS, Dr Lepani Waqatakirewa as indicated in the payment voucher. The two gentleman are no longer in the service.
LPO #36150 10/28/05	Health Staff	Paid Siteri's catering Services for MOH Sports day (2x \$245.00)	It was agreed to recover money from those officers responsible.	The payment was approved by the than Minister, Mr Solomonai Naivalu and the PS, Dr Lepani Waqatakirewa as indicated in the payment voucher. The two gentlemen are no longer in the service.
LPO #40177 16/2/06	Health Staff	Paid Life Insurance Corporation of India for damages to the partitions in the staircase of LICIJ building during central/eastern health services renting of the premises. The loss was \$480.00	Further investigation will be conducted to determine as to why PSC was not advised and the cost of repairs to be met from Office Accommodation vote. Officers found responsible will be surcharged as recommended.	Investigation to be conducted.

<i>EDP/ TPF No.</i>	<i>Name</i>	<i>Status</i>	<i>Action Taken/ Recommendation</i>	<i>Result/Progress</i>
<i>LPO #30728 11/08/05</i>	<i>Health Staff</i>	<i>Paid Lala Store for cost of providing lawyers legal court uniform for Legal Officers of Ministry of health. The cost incurred was \$685.00.</i>	<i>It was agreed that the amount to be recovered from the officer's salary and will communicate with your office further on this.</i>	<i>The Ministry will write to the Legal Officer who is no longer in the service to meet the cost of the uniform.</i>
<i>14623</i>	<i>Gyan Prakash</i>	<i>Three (3) Leco (mosquito spraying) machines used by Health Officers were taken to Jeral Auto Services on 2/11/06 for repairs. The company was paid \$2,700 on 20/12/06 but it was revealed that none of the three machines have been repaired to date. Jeral Auto Services ceased operations in early 2007.</i>	<i>Your comments are noted. The Ministry's Disciplinary Committee has examined the issues raised with a view of taking disciplinary action against the officer's responsible.</i>	<i>The officer has retired.</i>
	<i>Pharmacists at the Labasa Hospital (Sunjita Nand)</i>	<i>The non adherence to the cold chain policy and lack of awareness of the policy resulted in the vaccines totaling \$39,272, thus wastage of public funds.</i>	<i>It was agreed to further query officers on duty during that particular Sunday to determine whether the damages could have been avoided and not due to negligence of duty. Should it be proven as negligence appropriate disciplinary action will be taken against those responsible.</i>	<i>Explanations were sought from the pharmacist and all other officers responsible plus the explanation of the DNHS at the time, Dr. Ami Chandra. The Disciplinary Committee agreed that the explanations be forwarded to Finance for deliberation and decision. No feedback from Finance. To follow up with Finance. The officer is currently with FPS</i>
<i>18901</i>	<i>Penina Cirikiyasawa</i>	<i>Failed to enter into a contract with Falekau South Pacific Limited. Advance payments of \$100,000 were made with the first \$60,000 on 13/01/05 and \$40,000 on 27/09/05</i>	<i>Management would further investigate to determine the officers responsible for the advance payment and take appropriate disciplinary action.</i>	<i>The submission from the Ministry was forwarded to Finance recommending surcharge for the officer and other officer's responsible. Mrs Cirikiyasawa's surcharged has been waived by Finance together with the other officer's responsible.</i>

<i>EDP/ TPF No.</i>	<i>Name</i>	<i>Status</i>	<i>Action Taken/ Recommendation</i>	<i>Result/Progress</i>
	<i>Tamavua Garage</i>	<i>As reported in the 2006 audit report, some vehicle parts had gone missing whilst taken for repairs at private garages, refer below for details: GN132, was repaired at Shika Motors where it was discovered that \$4,414.75 worth parts were missing. GL064 was parked at Marine Motors and upon dismantling at the Tamavua garage it was discovered that parts were missing. CO362 had parts missing when taken to Shika Motors for repairs.</i>	<i>Your comments are noted. This will be covered under the full investigation to be conducted. Officers found negligent and who were responsible for the losses will be disciplined.</i>	<i>Mr. Alipate Gonerogo was the Transport officer at the time. The officer has been terminated from the service by the Public Service Commission.</i>
	<i>Tamavua Garage</i>	<i>The 2006 audit report highlighted cases of cannibalizations of vehicle parts.</i>	<i>Your comments are noted. This will be covered under the full investigation to be conducted. Officers found responsible for the alleged cannibalization of motor parts will be disciplined.</i>	<i>Mr. Alipate Gonerogo was the Transport officer at the time. The officer has been terminated from the service by the Public Service Commission.</i>
	<i>Tamavua Garage</i>	<i>Audit noted that \$9,079.00 worth of tools and machines were missing from the garage.</i>	<i>Your comments are noted. We will keep your office updated once a Board of Survey is completed and appropriate action taken on all missing tools mentioned.</i>	<i>Mr. Alipate Gonerogo was the Transport officer at the time. The officer has been terminated from the service by the Public Service Commission. No Board of Survey was conducted to determine and verify the missing tools worth \$9,079.00.</i>

19.43 Unprofessional Conducts

An employee must use Government resources and assets in a proper way.⁷¹ An employee must not make improper use of official information or of the employee's duties, status, power or authority in order to gain or seek to gain, a benefit or advantage for the employee or for anyone else.⁷² An employee must behave honestly and with integrity in the course of employment in the public service.⁷³

⁷¹ Public Service Act -1999, Section 8

⁷² Public Service Act-1999, Section 10

⁷³ Public Service Act 1999, Part 2, Section 1

The audit of the personal files noted the following anomalies:

- On 09/11/08, Mr. Ilesia Valentine, a driver at the Taveuni Hospital whilst being on duty, was under the influence of liquor, sexually harassing a female ward attendant, threatening other hospital members, swearing and abusing while inside the hospital premises along with other drunkard acquaintance.
- Maca Rokomalani (Head of Food Service) of Lautoka Hospital was noted to have poor working relationship and has tendency of growling at fellow staffs in front of others and on the phone leading to staffs having low morale.
- On 20/06/08, a complaint was made against Dr Kaul, an expatriate Doctor based at Lautoka Hospital for being absurd and abusive to a patient and the guardian coming for a treatment. The Officer behaved unprofessionally to the complainant and the patient.
- At 8.25am on Tuesday 24/06/08, a Mr Nareindra Kush was rushed to the Nadi Hospital, despite the patient profusely complaining of breathing problems, the attendant doctor, Dr Anareta, failed to diagnose the deceased promptly thus resulting into his death.
- On 23/01/08, a complaint was lodged by Mr Sikeli Turaga against Dr. Vishal Bhindi for negligence to perform his duty which resulted into death of Mr. Mikaele Turaganivalu, the complainant's brother.

There could be other disciplinary cases of similar nature as only sampled Personal File's were checked. It was also noted that the complaint file maintained is not updated and the documents are susceptible to be tampered with or removed without being detected.

The failure of the Ministry to take action against offending officers raised serious doubts on its disciplinary mechanism and that the possibility of favouritism cannot be ruled out. Further it could result into extravagant expenditure if any litigation actions are filed against the Ministry.

Recommendations

- **The Ministry should investigate the above cases, take disciplinary actions if warranted against the officers concerned and report the matter to PSC for breach of PSC Service Act.**
- **The compliant file should be updated to keep track of complains made against the medical professionals and other support staffs.**

Ministry's Comments

<i>EDP/ TPF No.</i>	<i>Name</i>	<i>Status</i>	<i>Action Taken/ Recommendation</i>	<i>Result/Progress</i>
TH921	Ilesia Valentine	<i>Alleged to have been under the influence of liquor when he sexually harassed a female ward attendant and threatened other hospital members and also swearing and abusive inside the hospital premises.</i>	<i>The officer was suspended pending the outcome of the investigation on his case. Investigation was carried out and the case was also reported to Police in Taveuni.</i>	<i>The Disciplinary Committee deliberated on his case and agreed that he should be Reinstated and allocated other duties within the Hospital.</i>

EDP/ TPF No.	Name	Status	Action Taken/ Recommendation	Result/Progress
	<i>Maca Rokomalani</i>	<i>Alleged to have poor working relationship and has a tendency of growling at fellow staffs in front of others and on the phone leading to staffs having low morale.</i>	<i>Numerous attempts have been made by senior officers to deal with the officer's attitude problem but she's always involving her husband who is an Army officer.</i>	<i>The officer needs to be transferred away from Lautoka and to work under a new management. She colludes with some of the senior staff in the West.</i>
	<i>Dr Kaul Expatriate Dr based at Ltk Hospital</i>	<i>Alleged to be absurd and abusive to patient and the guardian coming for a treatment. The officer behaved unprofessionally to the complainant and the patient.</i>	<i>Report was not received by the Disciplinary Committee for investigation and deliberation.</i>	<i>DMO Western & SDMO should give their explanation on the case.</i>
	<i>Dr Anareta Nadi Hsopital</i>	<i>At 8.25am on Tuesday 24/06/08. a Mr Nareindra Kush was rushed to the Nadi hospital, despite the patient profusely complaining of breathing problems, the doctor failed to diagnose the deceased promptly resulting into his death.</i>	<i>Report was not received by the Disciplinary Committee for investigation and deliberation.</i>	<i>DMO Western & SDMO should give there explanation on the case.</i>
	<i>Dr Vishal Bhindi</i>	<i>On 23/01/08 a complaint was lodged by Mr. Sikeli Turaga against the doctor for negligence to perform his duty which resulted into the death of Mr Mikaele Turaganivalu, the complainants brother</i>	<i>Report was not received by the Disciplinary Committee for investigation and deliberation.</i>	

19.44 Overtime Payment

Overtime work shall be approved only in essential circumstances and on the specific approval of the Permanent Secretary or the Head of Department.⁷⁴ For a good internal control it is obligatory for Ministries and Departments to minimize working overtime.

As at 31/12/08, the overtime allowances claimed by the staffs amounted to \$2,896,340. Refer to Table 19.32 below for details:

TABLE 19.32: DETAILS OF OVERTIME ALLOWANCES PAID

Month	Overtime Payments for 2008		
	CWM	Lautoka	Labasa
	Amount \$	Amount \$	Amount \$
January	19,437.16	57,468.76	36,724.35

⁷⁴ General Order 467(a)

Month	Overtime Payments for 2008		
	CWM	Lautoka	Labasa
	Amount \$	Amount \$	Amount \$
February	125,391.64	41,572.42	49,738.76
March	90,709.94	72,555.32	45,831.16
April	102,695.58	49,594.31	1,835.16
May	279,085.78	161,847.69	111,489.22
June	128,618.05	52,602.40	60,495.64
July	20,891.90	72,970.51	37,988.44
August	110,864.90	63,567.52	11,647.26
September	106,055.68	61,688.56	30,731.94
October	238,794.78	85,171.12	78,210.57
November	129,333.69	55,465.97	52,556.67
December	142,522.34	90,445.19	19,739.43
Totals	1,494,401.44	864,949.77	536,988.60

Out of \$2,896,340, \$523,382 or 18% was claimed by the Lab technicians. Audit noted that in some cases, staff's overtime claim for the year was more than their annual salary. The summarised details of Lab technicians overtime claim for the past three years are as follows:

TABLE 19.33: OVERTIME ALLOWANCES PAID TO LAB TECHNICIANS

Hospital	2008 \$	2007 \$	2006 \$
CWM	251,511.86	184,767.97	160,983.82
Lautoka	106,863.11	82,303.16	67,334.36
Labasa	165,007.09	158,806.74	121,521.27
Total	523,382.06	425,877.87	349,839.45

The overtime claim by the Lab Technicians has been increasing for the past three years. Audit is of the view that the overtime claimed by the Lab technicians are excessive and unwarranted. Refer to **Appendix 19.12** for details.

In very important circumstances, it is obligatory to work overtime, however considering the extravagant payments it warrants the immediate re-look at the current arrangement in place. Such practice has resulted in excessive overtime costs which subsequently affect the Ministry's budget.

Recommendations

The Ministry should:

- **consider practising the shift work to curtail the excessive overtime.**
- **make all the concerted efforts in ensuring the overtime claims are reduced to acceptable level and the works are completed within the normal working hours.**
- **should hire additional lab technicians to supplement the current staffs in order to cater for 24 hours service.**

Ministry's Comments

*A verification and analysis of the Laboratory Overtime and other Units of urban hospitals was carried out by a senior officer where rosters are made in which officers are **put on shifts** from 27/04/09 to arrest the increase in overtime.*

The area of concern is Microbiology where officers are worked during the weekend and public holidays and Seriology are required to work when the need arises especially on screening of blood for HIV and hepatitis "B" hepatitis "c" vedryl. The sections that are doing shift work are Blood Bank, Hematology and Bio Chemistry. They are having three (3) shifts i.e. Monday to Friday from 8.00am to 4.00pm and second shift from 4.00pm to 12pm and the third shift is from 12.00pm to 8.00am.

For these three (3) sections, they work on Saturday, Sunday and Public Holidays and they are doing overtime at reduced no of 2, each shift. On shift work, if somebody does not turn up on second and third shift than we to call another technician to replace the officer and that will be overtime.

19.45 Failure to Instigate Disciplinary Action against the Storeman

An employee must behave honestly and with integrity in the course of employment in the public service⁷⁵. An employee must act with due care and diligence in the course of employment in the public service⁷⁶. A breach of public service code of conduct by an employee is a ground for disciplinary action under the regulations of the relevant commission.⁷⁷

The 2006 Auditor General's Report highlighted the involvement of Mr. Ramesh Ram in fraudulent activities whilst being employed as store man medical stationeries at the Headquarters. Refer to Table 19.34 below for details of short supplies:

TABLE 19.34: DETAILS OF SHORT SUPPLIES

LPO No.	Supplier	Item Ordered	Qty Ordered	Qty Received	Amount Paid \$	Cheque No.	Particulars
38731	Utell Prints Fiji Limited	Prescription Pads	10,000	6,000	9,200	082976 of 25/01/06	Delivery doc. No.1587 of 18/01/06 & 1611 of 20/02/06.
40781	Pacific Printery Ltd	Dressing Pads	5,000	Records not available	5,200	085967 of 01/03/06	Invoice No. 9095
38661	Pacific Printery Ltd	Medi - Clips	10,000	Records not available	9,750	082688 of 20/01/06	Invoice No. 8997

In addition, the audit noted variances between the headquarters issued stationery records and the hospitals received records. It indicates that the stock issued records might have been tampered with to conceal the short supply.

Our follow up on the progress on the above case noted the following developments:

- The store man was posted to the Fiji Pharmaceutical Services with effect from 02/05/06 in order to allow for the investigation to be carried out by the internal audit unit. The internal audit noted the same anomalies; however no disciplinary action was taken against the Officer as to the date of audit.⁷⁸
- The officers confidential complain file together with his personal files went missing from the registry. It was revealed to audit that the files contained all the necessary records regarding the above allegations and due to unavailability of the records the case was not referred to the PSC and Finance for necessary disciplinary action.

⁷⁵ Public Service Code of Conduct, Section 6 (1)

⁷⁶ Public Service Code of Conduct, Section 6 (2)

⁷⁷ Public Service Code of Conduct (Grounds for Discipline)

⁷⁸ 14 April 2009

- The case was referred to police for further investigation on 01/09/08 after lapse of more than 2 years since when the anomalies were highlighted. The progress on this case is unknown to the Ministry.
- Whilst being engaged at the Fiji Pharmaceutical Services, the officer failed to take on charge of the items delivered under indent 299/07 on 04/12/07; thus incurring loss to Ministry amounting to \$3,800. He was surcharged \$1,900 (50%) on 15/09/08 and as at the date of audit⁷⁹, no recovery action has been instigated.
- The Officer was again implicated in the loss of 45 packets of blood monitoring strips amounting to \$1,502.55. As a result, he was transferred to CWM hospital with effect from 03/03/08. The audit could not authenticate if any disciplinary action was taken against the Officer.
- The Officer proceeded on annual leave with effect from the 13/08/08 to 25/09/08 but failed to resume duty on 26/09/08. However, on 10/10/08 he tendered in his resignation. The Officer's resignation was not accepted due to his pending surcharge. The audit also noted that his salary was ceased on 06/10/08 resulting into salary overpayment of \$223.85 which is yet to be recovered.⁸⁰
- The Officer **rejoined** the Ministry with effect from 24/02/09 and was posted to the CWM hospital as a storeman.

No Disciplinary action was taken by the Ministry against the Officer as he had failed to resume duties on time. Prolonged delay in resolving the case and failure to take any disciplinary action against the implicated Officer indicates Ministry's blatant disregard of the government standing regulation.

Also suspicion of favouritism and collusion of some of the officials within the Ministry could not be ruled out as important files were missing from the Registry.

Recommendations

The Ministry should:

- **follow up with Police on the progress of this case.**
- **provide satisfactory explanation as to why the Officer was rehired as a storeman despite his previous fraudulent activities.**

Ministry's Comments

The officer's case has been reported to Police for investigation and for necessary disciplinary action if warranted. A few officers from the Ministry, namely Nina, Joseph, Mary and Sunia have been interviewed by the Police this year regarding Ramesh' Ram's case. The Ministry will be informed of the findings once it is finalized.

⁷⁹ 26 May 2009

⁸⁰ 16 June 2009

19.46 Former Permanent Secretary's Laptop

An employee must use government resources and assets in a proper way.⁸¹ A Chief Executive Officer must uphold and promote the public service values and is bound by the public service code of conduct.⁸²

The audit of the IT records noted that no annual board of survey was carried out in 2008 or in prior years to ensure the existence of the IT items such as computers, laptops and printers.

The former Permanent Secretary failed to return the laptop when he resigned from the service with effect from 31/12/08. However, audit noted that the laptop was returned to the Ministry on 17/03/09.

Ministry's IT Officer revealed that the mother board and one of the keys of the laptop was damaged and needed replacement in order to make it useable again. The laptop was valued at \$2,995 and it was recommended by the IT Officer that it would be uneconomical to have the laptop repaired.

The above findings indicate negligence on the part of the former Permanent Secretary to exercise due diligence and care of the government resources assigned to him while in cause of employment.

Recommendations

- **The Ministry should inform and ask the former Permanent Secretary to meet the cost of repair or a replacement laptop, whichever is economical.**
- **IT Officer should carry out regular inspection and verification of IT equipments to keep a proper record of all the items issued.**

Ministry's Comments

The Ministry will write to the former Permanent Secretary (Dr. Lepani) in this regard.

19.47 Unaccounted Funds

The Ministry will ensure that funds are specifically used for the purpose they are provided, as set out in this agreement and it's financially accountable as per its regulations and rules. The Ministry is responsible for safeguarding the funds provided by SPC against any loss or theft and shall make restitution if the funds or any part thereof are lost or stolen. The Ministry will submit a financial statement showing total expenditures incurred.⁸³

The Ministry of Health was provided with financial assistance amounting to US\$20,000 (FJ\$30,912) jointly from the UNFPA, UNICEF and Secretariat of the Pacific Community (SPC) in 2008 to carry out its peer education exercise.

The audit noted that a sum of \$24,508.80 was expended as the wages to the peer educators. However, no acquittal report was provided for audit scrutiny on request.

The coordinator of the programme informed the audit that the remaining funds amounting to \$6,402.20 was absorbed into the system. However upon verification with the Accounts Section, audit could not ascertain whether the amount was actually absorbed into the AHD account. Failure to properly

⁸¹ Section 11.4.1 – Finance Manual 2005

⁸² Public Service Code of Conduct, Section 8

⁸³ Agreement between the MOH and the SPC

administer the funds could lead to unauthorised usage and misappropriation of funds. Future grants inflows could also be affected if grant agreement is not honoured.

Recommendations

The Ministry should:

- **should investigate the whereabouts of the remaining \$6,402.20 and if warranted take necessary disciplinary action against the responsible Officer(s).**
- **honour its grant agreement as it could affect the future relationship.**
- **ensure that acquittal reports are prepared and submitted to the donor agency and also a copy retain for audit verification purposes.**

Ministry's Comments

Your finding is noted and an investigation of the funds will be carried out to determine the utilization of remaining fund and other recommendation will be executed soon.

19.48 Negligence Claims

The Office of the Solicitor General was responsible to meet all payments arising out of claims against the state for negligent practices by Civil Servants until the end of 1997. Since 1998, the Ministry pays litigation cost for negligence payment due to medical negligence caused by Medical Officers.

A sum of \$70,000 is allocated annually in the Ministry's budget to cater for the litigation claims, resulting from the negligence in the health service delivery. Payments totalling \$2,644,780 were made between 2002 and 2008 as negligence payments. This money could have been used for other urgent purchases had the officers of the Ministry taken more care in the conduct of their work. Refer to Table 19.35 below for details.

TABLE 19.35: DETAILS OF NEGLIGENCE PAYMENTS

Year	Amount Paid \$
2002	20,000
2003	305,226
2004	100,928
2005	146,670
2006	407,834
2007	642,999
2008	1,021,123
Total	2,644,780

In 2008, the following negligence payments were made.

TABLE 19.36: DETAILS OF NEGLIGENCE PAYMENTS FOR 2008

Parties Involved	Particulars of Case	Amount \$
Indra Wati Vs Attorney General of Fiji Shireen Aiyub & Losana Burua	Failure to ensure that the deceased Raj Kumar Singh was provided with proper care prior to his operation.	28,074.80
David Willam Vs Medical Superintendent	Plaintiff, a 2 months old infant, on 23.04.03 was taken to the	90,000.00

Parties Involved	Particulars of Case	Amount \$
CWMH, CEO Health and Attorney General of Fiji	<p>CWM Hospital for treatment of scabies. He was administered certain injections, in the Casualty Department, after which his complications started. Subsequently, on the same day, he was admitted suffering from severe pain. His left arm, due to damage done by the hospital, had to be amputated above the elbow on 05.05.03.</p> <p>Following settlement talks, with the approval of Ministry of Health, matter was amicably settled between parties, in the sum of \$90,000.00, of which (as part of the settlement) sum of \$50,000.00 was paid to Public Trustee for the benefit of the infant plaintiff, and sum of \$40,000.00 was paid to his solicitors on 27.03.08, by MOH.</p>	
Attorney General of Fiji Vs Leba Lisi	Negligence on the part of Ministry during the delivery of Leba Lisi's child which caused her severe pain and distress which resulted into a death of her child.	108,000.00
Mika Maya Vs GM Taveuni Hospital	Medical negligence which led to knee amputation of right leg of a 24 year old Mika Maya of Taveuni. The settlement was made out of court.	180,000.00
Eddie McCaig Vs Abhi Manu	Medical negligence which caused plaintiff permanent damage to his sacral nerves and thus losing his bowel and bladder control as well as sexual functions.	250,000.00
Hem Chand Vs PS Health & Attorney General	Out of court settlement for payment of salary and long service leave for the years in which he was not employed (between 26/05/98 – 19/02/02)	25,000.00
HBC 03/2006 Isei Sigarara Vs Dr Franael Chipongian GM Hospital Services	<p>Plaintiff instituted this action on behalf of Lanieta Dilevu. Lanieta was admitted on 30.09.03 at the Labasa Hospital, for an emergency surgery for fetal distress. After surgery she died on the hospital bed, due to bleeding from the operative site.</p> <p>Following settlement talks, with the approval of Ministry of Health, matter was amicably settled between parties, in the sum of \$50,000.00 which sum was paid by MOH.</p>	50,000.00
Details Not Available	Details Not Available	3,125.03
	Surcharge Payment.	168.00
CBV 06/08 Arvind Kumar vs PSH	<p>Plaintiff instituted this action, claiming damages for injuries suffered by their infant child, Jashnil Kumar. Jashnil was born on 21.01.96 prematurely after 28 weeks of gestation. He was therefore, kept in an incubator for 3 weeks at the Lautoka Hospital, and was given supplemental oxygen. However as a result of overdose of the oxygen, Jashnil developed a condition called Retinopathy. He became total blind in both his eyes, as result of the overdose.</p> <p>The Chief Justice on 4.09.08 ordered an interim payment of \$286,755.00 to be paid by the defendants. Formal request was made to Finance for funds and money was paid to C/R's trust account on 14.01.09.</p>	286,755.00
Total		1,021,122.83

While there is a code of conduct for Medical Officers in the service, there is evidence that it is not strictly followed. Innocent people become victims of negligence and as a result court cases are filed and negligence payments are made. The above negligence claims could have been avoided had the medical code of conduct been strictly followed, proper health facilities provided and the services of experienced doctors sought.

In addition, there are other similar natures of litigation cases filed against the Ministry which are yet to be resolved. This could pose future financial burden on the operations of the Ministry.

Disciplinary actions are hardly taken against those implicated for acts of negligence. Consequently complainants are left with the option of seeking legal advice and civil cases are filed against the State, which in a number of cases had favoured the injured parties.

Recommendations

- **To safeguard public funds from waste and extravagance, the Ministry must urgently address the issue of unprofessional conduct of Medical Officers and other support staff.**
- **Doctors implicated should be referred to Fiji Medical Council or PSC for disciplinary actions.**
- **The Ministry should consider improving its service delivery to avoid and minimize such incidents.**
- **Proper guidelines should be established to safeguard the image of the hospital services in the country.**

Ministry's Comments

This issue had already been addressed by the previous PSH – Dr Lepani and the Ministry is presently working on it, an update will be conveyed to your office once the outcome is received

19.49 Delay in Completion of the National Ambulance Service Project

Emergency Ambulance Services (EAS) deals with life-threatening situations. If someone is seriously injured in an accident or suddenly collapses, the victim could have serious medical complications if he/she does not receive treatment urgently. The speedy arrival of an emergency ambulance could mean the difference between life and death for a seriously injured or ill person. EAS should therefore be called during the emergencies only.

The Cabinet decision of 17 June 1998 states that Ministry of Health was to initiate and enter into discussions with the St. John Association on a joint pilot project for the progressive improvement of the ambulance services to the general public and progressive handing over of the ambulance services controlled by Ministry of Health to St John Association (SJA).

Both the parties were to jointly develop the pilot project into a National Ambulance Service controlled and managed by SJA in an efficient, professionally managed, accessible and self- sustainable way.

The project was to be implemented in six phases with a projected cost of \$800,000 with the first phase to commence on 1 June 1998 and the final phase of the project to be completed by 30 June 2001. After the completion of the project, SJA was to have taken over the ambulance service nation wide and to be self-sufficient and reduce the assistance in the form of grant.

The details of the phases and dates of completion are as follows:

Phase 1: 1st June to 31st December 1998

Stationing of SJA ambulances:

- 2 at Suva
- 1 at Navua

- 1 at Korovisilou
- 1 at Sigatoka

And during Phase 1, SJA will recruit and train ambulance crew, seek technical assistance from abroad and have project funds to procure ambulance and communication equipment.

Phase 2: 1 January 1999 to 30 June 1999

The Ministry’s ambulance service between Suva-Nausori would be transferred to SJA together with appropriation of the CWM Hospital ambulances and equipment.

Phase 3: 1 July 1999 to 3 December 1999

The Ministry’s ambulance service from Suva to Sigatoka will be fully transferred to SJA with their ambulance service coverage from Nausori to Sigatoka.

Phase 4: 1 January 2000 to 30 June 2000

SJA will extend its service from Sigatoka to Tailevu to supplement the Ministry’s service.

Phase 5: 1 July 2000 to 31 December 2000

The Ministry’s ambulance service from Sigatoka to Tailevu was to be transferred to St John Association to be the major provider of complete ambulance service in Viti Levu.

Phase 6: 1 January 2001 to 30 June 2001

SJA was to take ownership of the ambulance service at Labasa, Nabouwalu and Savusavu, from the Ministry.

The audit noted that the following funds were provided to the SJA in addition to its annual operational grant for the implementation of the above EAS project:

- The initial funding support of \$850,000 was provided to SJA to implement the above project.
- From 2002 – 2004 additional sum of \$960,000 was granted to the SJA to ensure the completion of the project.
- A further sum of \$988,952 was provided to the SJA from 2005 – 2008 as grants for the provision of the emergency ambulance services.

A total sum of \$3,252,552 has been provided as at 31/12/08 to SJA for the completion of this project. Refer to Table 19.37 below for details.

TABLE 19.37: DETAILS OF FUNDS PROVIDED TO SJA

Year	Operational Grant \$	Ambulance Service Budget \$	Extra Funds paid to St. Johns \$	Total \$
1998	40,400	200,000		240,400
1999	40,400	200,000		240,400
2000	40,400	200,000		240,400
2001	40,400	250,000		290,400
2002	40,400		320,000	360,400

Year	Operational Grant \$	Ambulance Service Budget \$	Extra Funds paid to St. Johns \$	Total \$
2003	40,400		320,000	360,400
2004	40,400		320,000	360,400
2005	40,400		200,393	240,793
2006	40,400		318,370	358,770
2007	40,400		326,844	366,844
2008	50,000		143,345	193,345
Total	453,600	850,000	1,948,952	3,252,552

Most of the phases of the project remained unimplemented as at date of audit. The current services provided by the SJA are limited to the following areas:

- Suva/Natovi/Nausori/Korovou/Naiyavu/Vunidawa which are currently served by three ambulances which is based at Suva SJA yard and it is on user pay basis.
- One ambulance is based at Sigatoka and it is also on user pays basis.

The audit could not ascertain whether the funds were used for its intended purpose as no acquittal report was available for the audit inspection. Also it could not be established whether any investigation or audit was carried out to authenticate how funds were utilised by the SJA. The progress of the implementation of the EAS project is unknown to audit.

Considerable sum of funds have been diverted to the implementation of the EAS projects while neglecting and compromising the needs of Ministry's own ambulance services.

The Ministry failed to administer effectively the funding provided to the association.

Recommendations

- **The Ministry should initiate an investigation surrounding the failure to initiate the project with a view of taking disciplinary action against those officers who were responsible for the implementation of this project.**
- **The Ministry should also ensure that there is value for money on all funds provided for any grant assistance provided for capital projects.**
- **The audited acquittal report should be sought from the SJA to validate the accuracy of funds utilized.**

Ministry's Comments

- (a) *The Ministry of Health should initiate an investigation surrounding the failure to initiate an investigation surrounding the failure to initiate the project with the view of taking legal action against those officers who werfe responsible for the implementation of the project*

This section will be for the PSH to implement as most of those officers who were involved since 1998 have either passed on or have moved overseas or have since retired.

However, there was no specific Officer in Charge or assigned to this project. The previous system was that SJA provide an acquittal to the MOH Accounts Department and forwarded to the Permanent Secretary/CEO. Upon sighting the acquittal the PS/CEO would sign off. Once the PS/CEO had signed off, the accounts department would release the next quarterly payment for the expansion of ambulance services to SJA.

I came on board as of 29/09/2008 as the Project officer National Manager Ambulance Services to look into improving Ambulance services in Fiji.

I was tasked by the Minister for Health to conduct a Scoping Exercise and Feasibility Study into the Emergency Ambulance Services in Fiji and currently implementing the recommended changes as reported in the Scoping and Feasibility Exercise.

- (b) **The Ministry should also ensure that there is value for money on all funds provided for any grant assistance provided for capital projects.**

The National Ambulance Services is revising its strategies and is currently drafting a National Ambulance Decree to ensure that these measures are implemented and proper reporting procedures are followed.

- (c) **The audited acquittal report should be sought from the SJA to validate the accuracy of funds utilized.**

MOH has on a number of occasions requested audited accounts from SJA but SJA have refused to submit or surrender audited accounts to MOH. The Minister for Health has written to FICAC to investigate SJA's accounts on these grounds and is awaiting a response from FICAC of their findings.

19.50 Current Condition of Ministry of Health's Ambulances

Ministry of Health was required to provide the ambulance services in public hospitals at a level comparable to international best practice. Furthermore, the Ministry continued to provide appropriate maintenance of its fleet including the timely upgrading of its emergency equipment.

The audit noted that of the total fleet of 37 ambulances in Fiji, there were only 11 ambulances which were in good condition; the other 9 were unreliable for long distance travel or required regular maintenance work to keep them operational, a passenger carrying vehicle was used as a substitute for ambulance, and the remaining 16 were not working or were boarded without being replaced.

Refer to **Appendix 19.13** for details of conditions of ambulances maintained by the Ministry.

In addition, some of the ambulances in operation are not fully equipped with essential items such as oxygen and monitoring machines. The respective hospitals have to use portable machines and oxygen gas from the wards and hence compromising the needs of the hospital.

Furthermore, some hospitals have the service of only 1 ambulance and it has to cover wide areas and serve the large population as well. Difficulties are faced by the hospitals if the ambulances are away on a transit.

Refer to **Appendix 19.14** for details of number of ambulances per station compared to the population of that particular area.

Absence of the required number and condition of the ambulance provisions by the Ministry could hinder the service delivery and could compromise the lives of the patients or the sickly in cases of emergency.

Recommendation

The Ministry should review its fleet and ensure that it is able to provide adequate service to the general public.

Ministry's Comments

The Ministry of Health (MOH) is currently working on revamping National Ambulance Services and Emergency Ambulance Services.

MOH has drawn up a vehicle replacement plan and has submitted it to the Ministry of Finance for approval and also requested the Japanese Government through its Grass Roots Assistance Program for the replacement of 12 Ambulances that MOH has identified as the ones that need to be replaced immediately.

Due to the lack or non existence of Ambulance Legislation the MOH is currently drafting a new National Ambulance Decree (2009) in order to properly regulate and monitor ambulatory services in Fiji.

MOH has been in consultation with the National Fire Authority in taking over the Emergency Ambulance Services and the idea has been presented to the NFA Board Meeting on 22/05/09. The NFA Board has welcomed the idea and is also eager to on the Emergency Ambulances Services as this is also highlighted in the NFA Roadmap 2007-2009.

19.51 Misuse of Health Workers Money

An employee must use Government resources and assets in a proper way.⁸⁴ Any loss arising from theft or fraud shall be reported immediately to the Police. A copy of the report should also be provided to the PSC, Ministry of Finance and National Planning, and the Auditor General.⁸⁵

A sum of \$2,805.11 was allocated to Nausori Health Centre for the distribution to the 77 health workers at \$36.43 each. As at the date of the audit⁸⁶, only 39 out of 77 health workers collected their allowance.

Upon further enquiry, the Clerk admitted that she has utilised \$200 for her personal use and has the balance of \$200 with her. Audit could not authenticate the utilisation of the remaining \$984.34 as no record was provided for audit verification.

The above findings indicate that the clerk has defrauded the Ministry by using the allowance for her personal use. There is also a high possibility that the remaining unaccounted fund amounting to \$984.34 was utilised by the clerk.

Recommendation

The Ministry should investigate this matter immediately and report it to the appropriate authority.

Ministry's Comments

Your findings are noted and further investigation of the case will be carried out soon and your office will be provided with the result.

AUDIT FINDINGS – DEPARTMENT OF WOMEN AND SOCIAL WELFARE

FINANCIAL STATEMENT

19.52 Agency Financial Statement

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.⁸⁷

⁸⁴ Public service code of conduct.

⁸⁵ MOH Finance Manual 14.1.3

⁸⁶ 22/06/09

⁸⁷ Section 81 (3) – Finance Instructions 2005

In addition, each agency must include the following statements in its annual financial statements:⁸⁸

- (viii) statement of receipts and expenditure;
- (ix) statements of output costs;
- (x) an appropriation statement;
- (xi) a statement of assets and liabilities;
- (xii) notes to the statement of assets and liabilities;
- (xiii) a statement of losses;
- (xiv) a trust account statement of receipts and payments (where applicable)

The Department of Social Welfare and Women submitted its Agency Financial Statements (consolidated with Ministry of Health) for audit on **12/05/09** which were not prepared in accordance with the requirements of Section 82 and Schedule 1 of the Finance Instructions 2005.

The following discrepancies were noted:

- The Department has grouped its expenditures into 5 Statements of Output Costs whereas the Budget Estimates prescribes 4 outputs.
- The amounts in the Statements of Output Costs have been estimated as the facility to allow the measurement and accounting of these costs has yet to be integrated in the Financial Management Information System (FMIS) of government. It is not possible therefore to determine the accuracy of the expenditures incurred by the Department under each output.
- The Department failed to provide a Statement of Losses, the Trust Fund Statement of Receipts and Payments to audit.
- The payments of FNPF contributions and VAT could not be reconciled to the accounts.

The above issues will be used as basis of qualifications of the financial statements.

Recommendation

The Department should ensure that the requirements of the Finance Instructions 81 and 82 are strictly followed in the preparation of the Financial Statements.

Department's Comments

Output costing is a system generated report and the report is produced on the strength of the number of activity the department has and not on the strength of the output as highlighted in the annual budget estimate.

The Audit in the report rightfully mentioned that the process is yet to be integrated into the FMIS system by ministry of finance. Therefore unless the integration is fully completed by the FMIS team, report will be printed by activity level.

Statement of losses for the 2009 was finalized this month. The report is attached hereto.

19.53 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.⁸⁹

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

A reconciliation of FPNF contributions against salaries and wages reported in the Financial Statements revealed variances as follows:

19.53.1 Department of Social Welfare

TABLE 19.38: VARIANCE IN FPNF RECONCILIATION

Details	Amount \$
(a) Total FPNF against salaries and wages for 2008:	
FPNF as per financial statement	161,924.03
Less: December 2007 FPNF	35,469.52
	126,454.51
Add: December 2008 FPNF	29,024.80
FPNF for 2008	155,479.31
Gross Pay subject to FPNF (\$155,479.31 / 0.08)	1,943,491.38
(b) Salaries and Wages for 2008 subject to FPNF	
Salaries, wages and allowances as per financial statement	2,217,767.39
Less: Salaries, wages and allowances for 2008 not subject to FPNF	7,596.45
	2,210,170.94
Un-reconciled Variance	266,679.56

The above variance indicates that the FPNF might have been underpaid. No explanation was provided for the variance.

19.53.2 Women Affairs

TABLE 19.39: VARIANCE IN FPNF RECONCILIATION

Details	Amount \$
(a) Total FPNF against salaries and wages for 2008:	
FPNF as per financial statement	48,703.91
Less: December 2007 FPNF	7,955.52
	40,748.39
Add: December 2008 FPNF	7,553.92
FPNF for 2008	48,302.31
Gross Pay subject to FPNF (\$48,302.31 / 0.08)	603,778.88
(b) Salaries and Wages for 2008 subject to FPNF	
Salaries, wages and allowances as per financial statement	592,739.32
Less: Salaries, wages and allowances for 2008 not subject to FPNF	5,132.07
	587,607.25

⁸⁹ Chapter 219 – Fiji National Provident Fund – Section 13 (1)
Ministry of Health, Women and Social Welfare

Details	Amount \$
Un-reconciled Variance	16,171.63

The above variance indicates that the FNPF might have been overpaid. The Department could have avoided the above variance had they been more vigilant and proper supervisory controls were in place.

Recommendation

The Department should review its FNPF records and reconciliations and provide explanations for the variances.

Department's Comments

Variances in figures resulted when your Auditors took into account FNPF figures from period 1-14 and the department's financial statement was based on FNPF figures for periods 1 to 12 that stands as (\$266,679.56) and \$16,171.63 for Social Welfare And Women Department respectively. □□□□□□□□ The figures were regularly reconciled; therefore end balances did not indicate any over payment or under payment as claimed by Auditors in their report.

19.54 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.⁹⁰

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.⁹¹

The audit noted that the department failed to prepare VAT reconciliations for 2008.

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$444,435.21 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 19.40 below for details:

TABLE 19.40: VARIANCE IN VAT RECONCILIATION

Details	Amount \$
Total expenditure/income as per Expenditure Statement	23,636,951.73
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	22,688,023.02
Total expenditure/income subject to VAT	948,928.71
Less: Total taxable supplies as per VAT Returns	504,493.50
Un-reconciled variance	444,435.21

⁹⁰ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

⁹¹ Finance Circular No 9/95

The Department could have avoided the above variances had they been more vigilant and proper supervisory controls were in place.

Recommendations

- **The Department should review its VAT records and provide explanations for the variances.**
- **The Department should ensure monthly Vat reconciliations are prepared to ensure that correct Vat payment are made to relevant authorities.**
- **Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL.**

Department’s Comments

□□□□□□ *Variances in figures resulted when you’re Auditors took into account VAT figures from period 1-14 and the department’s financial statement was based on VAT figures for periods 1 to 12 that stands as 444,435.21 and 457,261.50 Respectively;*

After period 12 VAT adjustments were made to the extent of (\$12,826.29), thereafter the auditors figure agrees with departmental figures. Monthly VAT reconciliation was carried out before monthly total VAT payments were made FIRCA, otherwise incorrect amount of VAT would be paid out;

Supervisory controls were in place however it was matter of figure selection from two different accounting periods within a financial year.

19.55 Operating Trust Fund Account

Trust Fund Accounts compromise monies which are not the property of the state and not utilized for the purpose of government. In addition, Trust money is to be accounted for separately from public money and other money⁹², and by convention should always have credit balances. Thus, the trust fund accounts should not at any time be overdrawn.⁹³

Moreover, each month, the trust account shall be balanced and reconciled to the trust bank account. The names and balances of each account shall be listed and the reconciliations shall be signed by the responsible officer. Un-reconciled items should be investigated and resolved promptly.⁹⁴ Each year, a statement of receipts and payments shall be prepared for audit and inclusion, when required, in the agency’s annual report.⁹⁵

Contrary to the above regulations, audit noted the following anomalies:

19.55.1 Department of Social Welfare

The Department operated under Head 24 in 2007; however in 2008 it was merged with Ministry of Health (Head 22). The balance of funds was not carried over hence the balance as at 31/12/08 comprised of both the items appearing under Head 22 and Head 24. Refer to Table 19.41 below for details:

TABLE 19.41: OPERATING TRUST FUND ACCOUNT BALANCE

⁹² Section 25 (1) of the Financial Management Act

⁹³ Finance Circular No. 4/98 of 30/03/98

⁹⁴ Section 69 (3) – Finance Instruction 2005

⁹⁵ Finance Instructions Part 9 – 69(3) (4) 2005

Head	Departments Figure \$	FMIS Figure \$	Variance \$
22	14,872.39	14,872.39	---
24	No Reconciliation was prepared.	17,186.53	17,186.53
Total	14,872.39	32,058.92	17,186.53

The audit could not ascertain the correctness and accuracy of the trust account balance (Head 24) provided in the Financial Management Information System (FMIS) as the Department failed to prepare its monthly reconciliations.

Furthermore, the following trust fund accounts had overdrawn balances as at 31/12/08:

TABLE 19.42: OVERDRAWN TRUST FUND ACCOUNTS

Account Number	Description	Amount \$
12250124999861101	202 PD OPR Current Year	345.00
12250124999861304	226 PD Unestablished Staff	168.00
12250124999861532	PD Public Employee Union	115.00
12250124999861901	201 PD Tax Arrears/Paye	2,308.03
12250124999861920	501 PD Employees FNPF	11,512.52
12260224999861920	501 PD Employees FNPF	593.44
12410124999861105	267 PD Rent Public	1,947.40
12410124999861204	244 PD LICl	324.23
12410124999861306	263 PD Housing	128.83
12410124999861501	286 PD Fiji Public	1,785.99
12410124999861920	501 PD Employees	51,612.11
12410124999899988	Miscellaneous Fund	592.09

19.55.2 Women Affairs

The Department operated under Head 24 in 2007; however in 2008 it was merged with Ministry of Health (Head 22). The balance of funds was not carried over hence the balance as at 31/12/08 comprised of both the items appearing under Head 22 and Head 24. Refer to Table 19.43 below for details:

TABLE 19.43: OPERATING TRUST FUND ACCOUNT BALANCE

Head	Departments Figure \$	FMIS Figure \$	Variance \$
22	117.57	117.57	---
24	No Reconciliation was prepared.	10,875.48	10,875.48
Total	117.57	10,993.05	10,875.48

The audit could not ascertain the correctness and accuracy of the trust account balance (Head 24) provided in the Financial Management Information System (FMIS) as the Department failed to prepare its monthly reconciliations.

Furthermore, the following trust fund accounts had overdrawn balances as at 31/12/08:

TABLE 19.44: OVERDRAWN TRUST FUND ACCOUNTS

Account Number	Description	Amount \$
12270175999861306	263 PD Housing	480.00
12270175999861901	201 PD Tax Arrears	137.45
12430175999861202	241PD CMLA	221.24
12430175999861204	244 PD LICI	1,088.27
12430175999861306	263 PD Housing	457.15
12430175999861532	PD Public	400.00
12430175999861599	PD Others	510.00
12430175999861901	201 PD Tax Arrears	440.11
12430175999861920	501 PD Employees	1,588.31

The overdrawn trust funds could be results of mis-postings and/or unauthorised expenditure. It indicates lack of adequate internal control and supervision and a disregard for procedures in the Finance Instructions.

Recommendations

- **Both Departments should ensure that the Trust Fund Account reconciliations are prepared on a monthly basis and are verified and reconciled with the records provided in the Financial Management Information System**
- **The Departments should investigate the overdrawn (debit) trust fund accounts and action taken against the officers responsible for the non-compliance with the Finance Instructions.**

Department's Comments

Trust fund accounts are always reconciled against figures from FMIS balances There is no other sources from where these figure's could be obtained;

Overdrawn trust fund accounts resulted from wrong postings in each trust accounts, the matter was resolved long ago;

The above response i.r.o. of Social Welfare to trust account is also applicable to Department of Women.

19.56 Revolving Fund Account – Miscellaneous

A ledger shall be maintained for advances and revolving fund accounts⁹⁶. 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.⁹⁷

In addition, the Revolving Fund Account Miscellaneous by their nature should always reflect debit balances, as this account is used to record all accountable advance, dishonoured cheques, losses/thefts, surcharges and any unclaimed money.⁹⁸

⁹⁶ Section 16.3.1 – Finance Manual 2005

⁹⁷ Section 16.3.3 – Finance Manual 2005

⁹⁸ Page 235 of the Accounting Training Manual

19.56.1 Department of Social Welfare

The Department operated under Head 24 in 2007; however in 2008 it was merged with Ministry of Health (Head 22). The balance of funds was not carried over hence the balance as at 31/12/08 comprised of both the items appearing under Head 22 and Head 24.

Part of the fund balance from Head 24 was transferred to Head 22 on 12/06/09 through an audit adjustment after consultation with Ministry of Finance. The details are as follows:

TABLE 19.45: VARIANCE IN RFA ACCOUNT BALANCE

Code	Departments Figure \$	FMIS Figure \$	Appendix Figure \$	Remarks
1-22600-00000-560000	No Reconciliation Prepared	301.10	(2,828,407.94)	Audit could not ascertain the accuracy of the RFA Reconciliation.
1-22500-00000-560000		2,812,086.72		
1-24100-00000-570000		46,694.72		
1-22500-00000-570000		(30,674.60)		
Total	(30,674.60)	(2,828,407.94)	(2,828,407.94)	

The audit could not ascertain the correctness and accuracy of the above item balance appearing in the Financial Management Information System (FMIS) as the Department failed to prepare its monthly reconciliations.

Furthermore, significant outstanding balances were noted which remained un-cleared since 2007. The details are as follows:

TABLE 19.46: RFA ACCOUNT WITH SIGNIFICANT OUTSTANDING BALANCES

Code	Accounts Description	Amount \$
12250124999560201	Account Receivable Government Department	2,100,000.00
12250124999560203	Accounts Receivable Individuals	732,400.75
12410124999570304	Accounts Payable Prepaid Expenses	46,362.22

Moreover, audit noted that the following RFA accounts had overdrawn balances as at 31/12/08.

TABLE 19.47: OVERDRAWN RFA ACCOUNTS

Code	Accounts Description	Amount \$
12250124999560301	Account Receivable Employee	20,314.03
12250124999570101	Accounts Payable Prepaid Expenses	15,230.00
12250124999570304	Advances	15,444.60

19.56.2 Women Affairs

The Department operated under Head 24 in 2007; however in 2008 it was merged with Ministry of Health (Head 22). The balance of funds was not carried over hence the balance as at 31/12/08 comprised of both the items appearing under Head 22 and Head 24.

The balance of the funds from Head 24 was transferred to Head 22 on 12/06/09 through an audit adjustment after consultation with Ministry of Finance. The details are as follows:

TABLE 19.48: VARIANCE IN RFA ACCOUNT BALANCE

Code	Departments Figure \$	FMIS Figure \$	Appendix Figure \$	Remarks
1-22701-75999-570301	No Reconciliation was prepared	122,821.60	122,821.60	The Balance has been carried forward since 2006 and it has remained un-cleared as at the date of audit.

Audit could not ascertain the correctness and accuracy of the above item balances appearing in the Financial Management Information System (FMIS). Department failed to prepare its monthly reconciliations.

The above findings indicate that the Accounting Heads have not carried out their duties diligently, resulting in non-preparation of the reconciliations and verification to the FMIS records.

Recommendations

- **The Department should ensure that the monthly reconciliation is prepared in accordance to the requirement of the Finance Manual and any differences are adjusted accordingly.**
- **The Department should investigate the overdrawn balances and take corrective action.**

Department's Comments

The FMIS figures and Departmental figures were not consistent for the reason that some of the figurers were appearing under Head 24. The anomaly was rectified in July this year;

Way back in 2005 when there was no FMIS, all FA payments were made to Post Fiji and Debited to advance account Post Fiji, thereafter, Post Fiji would send remittance advice. On strength of remittance advice department used to clear advance a/c by debiting FA vote and crediting the Advance a/c. The officers at that time failed carry out appropriate adjustment. Therefore \$2.1m and \$732,400 appears as overdrawn amounts in the advance account;

Another \$46,362.22 and \$\$20,314.03 are figures that appear as overdrawn amount for the reason that amount was not posted into the system when changeover from manual accounting system to FMIS system took place. After lapsed of 3 years it would be impracticable to carry out the adjustments. Arrangements will be made with Finance ministry to write off the amounts;

\$15,230 & \$ 15,444.60 are the system errors, therefore only FMIS will be able to rectify. Arrangements had already been made with FMIS which will clear the amounts before end of this accounting period;

A combined RFA reconciliation statements for Social Welfare and Women were prepared for last year, therefore separate reconciliations for Women were not sighted by the auditors;

\$122,821.60 was taken into account at the end of the last year from old HEAD to new Head of the Department; otherwise it would have been investigated earlier on and sorted out.

19.57 Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and be signed and dated by the responsible officer.⁹⁹

In addition, 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.¹⁰⁰

The audit could not ascertain the correctness and accuracy of the following account balances appearing under both Head 22 & 24 provided in the Financial Management Information System as the Department failed to prepare all its monthly reconciliations. The details are as follows:

TABLE 19.49: DRAWNGS ACCOUNT BALANCES

Code	Departments Figure \$	FMS Figure \$	Appendix Figure \$	Remarks
Social Welfare				
1-22500-00000-530000	Not Complete	293,062.74	(1,356,950)	The Department has only prepared its monthly reconciliation till August 2008.
1-22600-00000-530000		(10,736.09)		
1-24100-00000-530000		(1,650,394.97)		
1-24200-00000-530000		11,118.31		
Total		(1,356,950.01)	(1,356,950)	
Women Affairs				
1-22700-00000-530000	Not Available	7.50	(60,720)	No reconciliation was provided for audit scrutiny.
1-24300-00000-530000		(60,727.67)		
Total		(60,720.17)	(60,720.00)	

In addition, stale cheques amounting to \$705,225 were appearing in the unrepresented cheque list as at 31/12/08.

The above anomalies indicate the laxity of the Accounting Head in carrying out his/her duties diligently, resulting in the non-preparation of the monthly reconciliations. Also the stale cheques have remained un-cleared.

Recommendations

- The Department should ensure that Section 39 (5) of the Finance Instruction is strictly complied with.
- Stale cheques should be cleared in accordance with Section 7.5 of the Finance Manual.

Department's Comments

Last year the Department was struggling to clear backlog of Drawing account reconciliations from the year 2007 and managed to reconcile up to the year 2008. Therefore number of stale cheques is bound to accumulate until such time the reconciliations would be updated. The stales cheques mentioned in your report no longer exists, they were cleared in January this year.

⁹⁹ Section 39 (5) – Finance Instruction 2005

¹⁰⁰ Finance Circular 21/2007 dated 12/11/07, para 7.4.2

19.58 Annual Stocktake

The Chief Executive Officer shall nominate three-Board of Survey Officers to undertake an annual stock take of fixed assets and expendable items at a specified date.¹⁰¹

Audit noted that the Department failed to carry out its annual stock-take of fixed assets and take on charge in the Fixed Assets Register any assets acquired in 2008 that may not have been recorded.

The above finding implies inadequate controls over the custody of assets which could result in the inability to identify missing and unserviceable item, gone missing or those that need to be auctioned. Moreover, it would be difficult to identify any person responsible or any discrepancies in the Fixed Assets records if records are not updated or maintained.

Recommendation

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

Department's Comments

The board of survey team was appointed in the year 2009, but due to the retirement of the chairman, the survey was not completed. The chief Executive officer has directed administration officer to appoint new members and complete as soon as possible.

For your information all assets are all in our custody of which the departments got all the records of all new and the existing assets. A copy of the report will be submitted after the completion of the survey.

19.59 IDC Reconciliation

Within 5 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Officer shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.¹⁰²

Audit noted that the IDC accounts receipts and payments for 2008 as per the Department's record did not reconcile with the FMIS/Appendix records. Refer to Table 19.50 below for details:

TABLE 19.50: VARIANCE IN IDC RECEIPTS AND PAYMENTS BALANCES

Department	Details	Receipts \$	Payments \$
Social Welfare	FMIS	3,301,729.12	3,301,729.12
	Departments Record	2,076,615.04	2,076,615.04
	Variance	1,225,114.08	1,225,114.08
Women Affairs	FMIS	946,255.61	946,255.61
	Departments Record	657,205.70	657,205.70
	Variance	289,049.91	289,049.91

The above indicates that the Departments reconciliations were not thoroughly checked and scrutinised by the Accounting Head, resulting in variances between FMIS and Department records.

¹⁰¹ Section 11.4.1 – Finance Manual 2005

¹⁰² Finance Manual 2005 Section 16.3.3

Recommendation

The Department should investigate the variance and take corrective measures to regularise the variance.

Department's Comments

Variances in figures resulted when your Auditors took into IDC account figures from period 1-14 and the department's financial statement was based on IDC account figures for periods 1 to 12. Furthermore as stated in the financial instruction, both the departments IDC accounts were properly reconciled and the accounts was balance was zerorised before closure of accounts.

AUDIT FINDINGS – DEPARTMENT OF WOMEN AND SOCIAL WELFARE

FAMILY ASSISTANCE (FA)

19.60 Recipients with Same Bank Account

Cabinet approved that recipients of the Family Assistance Allowance are to select the method of payment that is accessible and cost effective provided by postal services, ANZ Rural Banking and Colonial National Bank¹⁰³

The audit of Family Assistance (FA) records revealed that in some cases recipients have the same bank account numbers despite different reference numbers. Refer to **Appendix 19.15** for examples

This implies laxity by the Senior Welfare Officers in not properly checking the list prepared by the Divisional Clerks. It is possible that there may be more such cases not identified as a result of a lack of detail checks.

Recommendations

- **The Department should review the current processing and payments procedures to avoid such overpayments.**
- **The officers responsible for making such entries should be more vigilant.**
- **Disciplinary action should be taken against responsible officers for not carrying out their duties with care.**
- **All the double payment into the bank accounts should be recovered.**
- **The list submitted by the Divisions should be properly checked at Headquarters before submitting to the respective banks.**

Department's Comments

The recommendations are noted and the following actions have been taken:

- *The Department is in its final stages of moving across to e-Welfare and the system is set up to flag 'alike recipients' under 'reference numbers', 'name', 'date of birth' and father's/mother's name'.*
- *All identified repeat names have been deleted from the database when detected.*
- *PS has issued a word of caution to all Divisional Heads on surcharge of officers for these mistakes.*
- *All recipients receiving 2 payments have been terminated immediately from the assistance.*
- *The e-Welfare system will solve the issues raised here.*

¹⁰³ Interim Government Cabinet Paper (07) 26 Date 13/02/07

*Additional comments have been inserted into the table attached as **Appendix 19.15**.*

19.61 Real and Bogus Name with Same Bank Account Number

Each voucher should have the unique identifier of the client's reference number prefixed with their Cost-Centre and suffixed with the month and year that the voucher is valid for.¹⁰⁴

Cabinet approved that recipients of the Family Assistance Allowance are to select the method of payment that is accessible and cost effective provided by postal services, ANZ Rural Banking and Colonial National Bank¹⁰⁵

There were some cases where a reference number would have a real and a bogus recipient. The real and the bogus recipients are identified with the same reference number and the same bank account number. Therefore the recipients receive double payment into the same bank account number.

One Arun Lata is receiving \$75 via a bogus reference number 301-101967. The same reference number belongs to a recipient name Shiu Shankar.

This issue was highlighted in the previous years Auditor General's report where the Department commented that this case was terminated on 29/08/06 and the file transferred to Sigatoka Office. However, this case is continuing and has not been terminated as commented by the Department.

Examples of such irregular payments are shown in **Appendix 19.16**.

The above finding reflects the existence of weak controls in respect of assisting recipients through the banking mode. In addition, the Senior Welfare Officers in districts were not scrutinizing the lists which were submitted to Headquarters.

Recommendations

- **The Department should review its procedure for processing payments effected by banking mode in order to avoid such overpayments.**
- **The officers responsible for making such entries should be more vigilant.**
- **Disciplinary action should be taken against responsible officers concerned for not carrying out their duties with care.**
- **All the double payment into the bank accounts should be recovered.**
- **The list submitted by the divisions should be properly checked at headquarters.**

Department's Comments

For most of the cases, reference numbers and bank account numbers of the 'real' and 'bogus' recipients are the same. There is no double payment.

The requirement for a birth certificate by Banks has been a recent development but the Department of Social Welfare has always worked with birth certificates. These recipients had existing accounts which does not necessarily match the name registered at birth.

*The recommendations are noted and a lot of these issues will be resolved once the e-Welfare system under e-Gov is in operation. Additional comments have been added to **Appendix 19.6**.*

¹⁰⁴ Section 4.1.17 – Finance Instruction 2005

¹⁰⁵ Interim Government Cabinet Paper (07) 26 Date 13/02/07

19.62 Recipients with Same Reference Number.

Each voucher should have the unique identifier of the client's reference number prefixed with their Cost-centre and suffixed with the month and year that the voucher is valid for.¹⁰⁶

The audit of FA records revealed that in some cases recipients have the same reference numbers despite different names and bank account numbers. Refer to **Appendix 19.17** for examples

This implies laxity by the Senior Welfare Officers in not properly checking the list prepared by the Divisional Clerks. It is possible that there may be more such cases not identified as a result of a lack of detail checks. The Department could be making fictitious, unauthorised and duplicate payments as a result.

Recommendations

- **The officers responsible for making such entries should be more vigilant.**
- **Disciplinary action should be taken against responsible officers for not carrying out their duties with care.**
- **The list submitted by the Divisions should be properly checked at Headquarters before submitting to the respective banks.**

Department's Comments

*Comments have been inserted against each recipient queried in **Appendix 19.17**. The recommendations are noted and we also hope that all these discrepancies will be eliminated under the e-Gov system presently reaching its final stages.*

19.63 Recipients receiving assistance through Voucher Book and Bank Mode

Cabinet approved that recipients of the FA Allowance are to select the method of payment that is accessible and cost effective provided by postal services, ANZ Rural Banking and Colonial National Bank¹⁰⁷ All payment transactions that are processed through the cashing agency must be reconciled against our voucher listings.¹⁰⁸

In certain cases the recipients of FA Allowance were cashing the voucher books provided by postal services as well as receiving assistance through the banking Mode. Refer to Table 19.51 below for examples.

TABLE 19.51: RECIPIENTS CASHING VOUCHER BOOKS AND RECEIVING CASH THROUGH BANK MODE

Recipients	Reference Number	Voucher Book #	Amount \$	Bank	Account Number	Amount \$
Elenoa Likumocevakaca	101-102189	16153	60.00	CNB	5990514	80.00
Seveci Ravetau	101-105948	15217	95.00	CNB	9800683378	95.00
Elizabeth Turaga	101-106855	16160	60.00	CNB	6854557	60.00
Parma N Singh	101-103990	13997	85.00	CNB	5660950	85.00

¹⁰⁶ Section 4.1.17 – Finance Manual 2005

¹⁰⁷ Interim Government Cabinet Paper (07) 26 Date 13/02/07

¹⁰⁸ Section 4.1.42 – Finance Manual 2005

This issue highlights a total disregard by the Welfare officers to verify the list of recipients through voucher books and bank mode. The Senior Welfare officers have failed to check the lists as the double payments were not picked by them.

Recommendations

- One mode of payment should cease immediately and the overpaid allowance should be recovered.
- Surcharge action should be taken against officers who are identified to be responsible for the double payment.
- The entire list should be checked by the Senior Welfare Officers before they are submitted for payments.

Department's Comments

<i>Recipients</i>	<i>Reference Number</i>	<i>Voucher Book #</i>	<i>Amount \$</i>	<i>Bank</i>	<i>Account Number</i>	<i>Amount \$</i>
<i>Elenoa Likumocevakaca</i>	<i>101-102189</i>	<i>16153</i>	<i>60.00</i>	<i>CNB</i>	<i>5990514</i>	<i>80.00</i>
	<i>Her file is now closed and banking terminated. Voucher book will not be re-issued in July, 2009.</i>					
<i>Seveci Ravetau</i>	<i>101-105948</i>	<i>15217</i>	<i>95.00</i>	<i>CNB</i>	<i>9800683378</i>	<i>95.00</i>
	<i>Seveci Ravetau's voucher book is cancelled and efforts are being to recover the overpayment. Care & Protection Allowance. For review.</i>					
<i>Elizabeth Turaga</i>	<i>101-106855</i>	<i>16160</i>	<i>60.00</i>	<i>CNB</i>	<i>6854557</i>	<i>60.00</i>
	<i>Elizabeth Turaga's voucher book is cancelled and efforts are being to recover the overpayment. Care & Protection Allowance. For review</i>					
<i>Parma N Singh</i>	<i>101-103990</i>	<i>13997</i>	<i>85.00</i>	<i>CNB</i>	<i>5660950</i>	<i>85.00</i>
	<i>Parma Singh's assistance has been terminated and will be reviewed.</i>					

19.64 Recipients Listed Twice in Bank Listings

The proper management of expenditure is fundamental to ensuring value-for- money in delivering services to the community. As well, having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over-expenditures and corruption do not occur.

The audit of FA records revealed that a number of recipients have been receiving their allowance twice within the same month due to their names being listed twice in the bank listings. Refer to **Appendix 19.18** for examples.

This implies laxity by the Senior Welfare Officers in not properly checking the list prepared by the Divisional Clerks. It is possible that there may be more such cases not identified as a result of a lack of detail checks. As a result, the Department could be making fictitious, unauthorised and duplicate payments.

Recommendations

- The officers responsible for making such entries should be more vigilant.
- All the double payment into the bank accounts should be recovered.
- Disciplinary action should be taken against responsible officers for not carrying out their duties with care.

- **The list submitted by the Divisions should be properly checked at Headquarters before submitting to the respective banks.**

Department's Comments

*Comments have been inserted against each name queried in **Appendix 19.18**. All anomalies have been corrected and actions taken accordingly as noted in Appendix 7. The recommendations are noted and should be addressed under the new e-Gov system presently undergoing its final phase of development.*

19.65 Non reconciliation of Cashing Agency against Voucher Listing.

All payment transactions that are processed through the cashing agency must be reconciled against our voucher listing.¹⁰⁹ Reconciliation reports must be completed within two week post end of month.¹¹⁰

The audit noted that no reconciliation has been prepared for the payment transaction processed through the cashing agencies against the voucher listings. The divisions have neither prepared nor submitted any reconciliation concerning the above.

This implies laxity by the Senior Welfare Officers in not preparing the reconciliations, which could result in fictitious, unauthorised and duplicate payments.

Recommendations

- **All payment transactions that are processed through the cashing agency must be reconciled against the voucher listings.**
- **Senior Welfare Officers from each district should submit their reconciliation two week after post end of the month.**
- **Disciplinary action should be taken against responsible officers for not carrying out their duties with care.**

Department's Comments

The recommendations are noted and the process has been included into the Department's Draft Standard Operating Procedures [SOP]. The SOP is ready for its final stage of alignment to legal requirements.

We would like to note though that it is not possible to reconcile within two weeks as cashing agencies are scattered across the whole country from islands to hinterlands which are intermittently accessible. Due to transportation and infrastructural problems, the full remittance of the listing of cashed voucher leaves can only take place after about six [6] weeks of issuance.

19.66 Review of Family Assistance Recipients

Controls need to be in place to ensure that the right recipient continues to receive the funds under the family assistance program.

A review of family assistance recipients is not conducted regularly and this can result in the Department not knowing if and when a recipient has died. Thus, funds may continue to be paid out to

¹⁰⁹ Section 4.1.42 – Finance Manual 2005

¹¹⁰ Section 4.1.44 – Finance Manual 2005

relatives of the deceased recipient who does not qualify for the assistance. Table 19.52 below shows examples of cases not reviewed on regular basis.

TABLE 19.52: CASES NOT REVIEWED ON A REGULAR BASIS

Recipients	Reference Number	Year of Last Review	Age at date of Last Review
Epeli Ratabacaca No 2	201-102400	2005	76 years
Eroni Sewale No 1	201-106605	2005	67 years
Litia Marama	201-102506	2005	102 years
Asia Lateef f/n Mustaq	201-104742	2005	55 years
Akisi Marama	201-105979	2004	41 years
Akisi Marama	201-102365	2005	80 years
Mohini Lata f/n Mahen	201-104540	2005	34 years

There are no checks in place where the department can detect whether a recipient has passed away. There is no work program available where welfare officers could visit the various recipients to determine whether a certain recipient is still living and receiving the approved allowance.

Recommendations

- **The Department should carry out a yearly review of the recipients.**
- **Work program should be drawn for Welfare officers to visit homes of recipients to determine whether the recipients are still living and receiving the allowances.**

Department's Comments

Recipients	Reference Number	Year of Last Review	Age at date of Last Review
Epeli Ratabacaca No 2	201-102400	2005	76 years
Date of review: 21/05/2009 Age: 80 years Status: Still living with wife & 3 grandchildren attending school. Recommendation: Allowance to continue.			
Eroni Sewale No 1	201-106605	2005	67 years
Date of review: 21/05/2009 Age: 71 years Status: Still living with wife & youngest son attending school. Recommendation: Allowance to continue.			
Litia Marama	201-102506	2005	102 years
Date of review: 14/05/2009 Age: 106 years Status: Lives with married son who has his own dependents.. Recommendation: Allowance to continue.			
Asia Lateef f/n Mustaq	201-104742	2005	55 years
Date of review: 20/05/2009 Age: 61 years Status: Living with a crippled son. Recommendation: Allowance to continue.			
Akisi Marama	201-105979	2004	41 years
Date of review: 14/05/2009 Age: 65 years Status: Lives alone with no source of income. Recommendation: Allowance to continue.			
Akisi Marama	201-102365	2005	80 years
Date of review: 14/05/2009			

Recipients	Reference Number	Year of Last Review	Age at date of Last Review
Age: 84 years Status: Lives alone with no source of income. Recommendation: Allowance to continue.			
Mohini Lata f/n Mahen	201-104540	2005	34 years
All attempt to locate Mohini Lata's file is being done as the database does not have her address but her case will be reviewed during the July dispatch of voucher books.			

There are nearly 27,000 recipients listed in our Family Assistance database, only 48 welfare officers all over Fiji and there are only 2 vehicles per Division. A yearly review of the whole 27,000 is near impossible as there are other major outputs legally required under Acts from the Department.

There is a caseload of about 600 cases per officer per year not including the additional 300 cases per officer per year for other areas of work and recorded in our case listings. An annual review of all cases is impractical and maybe impossible.

For improved monitoring, we have proposed and Cabinet has agreed that four [4] present categories under Family Assistance will be moved to Care & Protection Allowance. This is necessary to allow easy tracking of cases as allowance is terminated once children reach the age of 17.

However, the recommendations are noted and improved targeting of review cases will be done according to resource allocation.

19.67 Accident – GM 957

The Deputy Secretary (DS) shall authorise an officer to drive government vehicles under the care of the agency by issuing them a letter of authority.¹¹¹ Under no circumstances shall the Executive Officer (EO) permit unauthorised persons to drive any vehicle.¹¹²

In addition, the vehicles must only be used for official purposes unless approved in writing by the DS or permitted under an officer's term of employment.¹¹³

Furthermore, in the event of an accident involving a government vehicle, the driver must immediately report the accident to the Police and inform the EO.¹¹⁴ In addition, the driver must within 24 hours after the accident prepare an accident report and submit it to the DS who shall forward copies to the CEO, Ministry of Finance and the Solicitor General.¹¹⁵

The following anomalies were noted for the vehicle, GM 957, which was involved in an accident in Suva on 26/11/08:

- **the vehicle was driven by Ms. Ilisapeci Rokotunidau, Director Social Welfare, without authorisation,**
- the accident report was prepared on 09/12/08, fourteen days after the accident,
- no police report was availed for audit verification upon numerous requests.
- the purpose of the journey could not be ascertained.
- the vehicle sustained damage amounting to \$1,355 and as at the audit date, the department is yet to instigate any action to recover this cost from the officer concerned.

¹¹¹ Section 13.15.1 – Finance Manual 2005

¹¹² Section 13.15.2 – Finance Manual 2005

¹¹³ Section 13.16.1 – Finance Manual 2005

¹¹⁴ Section 13.19.1 – Finance Manual 2005

¹¹⁵ Section 13.19.4 & 13.19.6 – Finance Manual 2005

The above indicates the Department's blatant disregard in maintaining discipline and complying with the standing government transport rules and instructions. Also failure to instigate a timely action could set a precedent for others to pursue.

Recommendations

The Department should:

- **follow up with the Solicitor General's Office regarding the accident to vehicle GM957.**
- **ensure that relevant documents such as police report, accident report and drivers authority letters are maintained properly and produced to audit for verification.**

Department's Comments

The necessary procedures as noted in the recommendations have been followed and report submitted to Ministry of Finance. Follow up with the Ministry of Finance has been on- going.

Appendix 19.1: Statement of Output Costs**Ministry of Health****General Administration 2008**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	2,708,548	2,992,139
Unestablished Staff	339,031	325,300
Travel & Communication	777,167	886,897
Maintenance & Operations	833,272	890,793
Purchase of Goods & Services	1,003,300	1,239,800
Operating Grants & Transfers	2,938,160	4,249,892
Special Expenditures	1,556,112	1,212,561
Total Operating Costs	10,155,590	11,797,382
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	79,600	120,866
Capital Grants & Transfers	---	---
Total Capital Expenditures	79,600	120,866
Value Added Tax	674,687	952,666
TOTAL EXPENDITURE	10,909,877	12,870,914

Research 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	166,765	117,640
Unestablished Staff	103,388	157,627
Travel & Communication	19,485	21,746
Maintenance & Operations	42,219	42,547
Purchase of Goods & Services	61,781	100,993
Operating Grants & Transfers	---	---
Special Expenditures	43,599	60,000
Total Operating Costs	437,237	500,553
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	236,677	80,313
TOTAL EXPENDITURE	673,914	580,866

Urban Hospitals 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	36,717,095	40,322,815
Unestablished Staff	6,812,811	9,721,407
Travel & Communication	856,757	918,207
Maintenance & Operations	3,105,587	3,176,704
Purchase of Goods & Services	6,855,921	8,115,389
Operating Grants & Transfers	----	---
Special Expenditures	----	---
Total Operating Costs	54,348,171	62,254,522
Capital Expenditures		
Capital Construction	1,381,762	2,862,700
Capital Purchases	1,401,784	845,613
Capital Grants & Transfers	----	---
Total Capital Expenditures	2,783,546	3,708,313
Value Added Tax	5,749,400	8,553,729
TOTAL EXPENDITURE	62,881,117	74,516,564

Sub – Division Hospitals, Health Centres and Nursing Stations 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	20,880,922	23,884,185
Unestablished Staff	2,990,728	4,100,383
Travel & Communication	567,220	787,036
Maintenance & Operations	1,770,404	1,640,678
Purchase of Goods & Services	827,305	1,149,718
Operating Grants & Transfers	----	---
Special Expenditures	71,259	110,000
Total Operating Costs	27,107,838	31,672,000
Capital Expenditures		
Capital Construction	831,060	551,182
Capital Purchases	1,116,019	1,104,148
Capital Grants & Transfers	----	---
Total Capital Expenditures	1,947,079	1,655,330
Value Added Tax	5,363,590	4,315,025
TOTAL EXPENDITURE	34,418,507	37,642,355

Public Health Services 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,377,728	1,663,251
Unestablished Staff	12,779	24,534
Travel & Communication	22,451	15,800
Maintenance & Operations	35,366	33,300
Purchase of Goods & Services	1,045,948	679,817
Operating Grants & Transfers	515,050	356,939
Special Expenditures	610,455	573,799
Total Operating Costs	3,619,777	3,347,440
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	1,348,961	1,259,154
TOTAL EXPENDITURE	4,968,738	4,606,594

Drugs and Medical Supplies 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	597,036	612,662
Unestablished Staff	288,719	343,100
Travel & Communication	51,607	60,231
Maintenance & Operations	135,767	119,235
Purchase of Goods & Services	15,297,672	10,386,091
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	16,370,801	11,521,319
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	1,494,145	2,045,187
TOTAL EXPENDITURE	17,864,946	13,566,506

Hospital and Support Services 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	---	97,400
Unestablished Staff	344,539	476,700
Travel & Communication	2,970	10,000
Maintenance & Operations	2,356,329	2,202,299
Purchase of Goods & Services	7,254	7,500
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	2,711,092	2,793,899
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	591,312	324,086
TOTAL EXPENDITURE	3,302,404	3,117,985

Fiji School of Nursing 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,071,630	1,433,160
Unestablished Staff	454,770	573,010
Travel & Communication	38,596	38,065
Maintenance & Operations	209,569	261,552
Purchase of Goods & Services	334,361	525,000
Operating Grants & Transfers	----	---
Special Expenditures	39,577	40,000
Total Operating Costs	2,148,503	2,870,787
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	689,615	308,650
TOTAL EXPENDITURE	2,838,118	3,179,437

Old Peoples Home 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	128,839	79,201
Unestablished Staff	364,873	429,753
Travel & Communication	4,240	5,820
Maintenance & Operations	50,725	49,800
Purchase of Goods & Services	57,917	66,200
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	606,594	630,774
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	240,291	85,132
TOTAL EXPENDITURE	846,885	715,906

Department of Women and Social Welfare**General Administration 2008**

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	702,741	1,004,659
Unestablished Staff	90,303	132,800
Travel & Communication	37,098	41,706
Maintenance & Operations	61,279	69,708
Purchase of Goods & Services	44,917	37,654
Operating Grants & Transfers	259,000	259,000
Special Expenditures	----	----
Total Operating Costs	1,195,338	1,545,527
Capital Expenditures		
Capital Construction	40,998	---
Capital Purchases	398,000	---
Capital Grants & Transfers	756,232	1,051,367
Total Capital Expenditures	1,195,230	1,051,367
Value Added Tax	24,705	153,426
TOTAL EXPENDITURE	2,415,273	2,750,320

Poverty and Eradication Unit 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	104,285	39,171
Unestablished Staff	1,444	---
Travel & Communication	5,197	9,679
Maintenance & Operations	7,293	7,814
Purchase of Goods & Services	674	916
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	118,893	57,580
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	1,399	5,021
TOTAL EXPENDITURE	120,292	62,601

Institutional Services 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	239,428	146,041
Unestablished Staff	99,162	127,232
Travel & Communication	3,087	2,187
Maintenance & Operations	24,459	23,925
Purchase of Goods & Services	11,426	10,450
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	377,562	309,835
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	3,959	10,292
TOTAL EXPENDITURE	381,521	320,127

Field Services 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,041,108	1,102,493
Unestablished Staff	101,220	102,247
Travel & Communication	52,608	35,634
Maintenance & Operations	57,833	50,553
Purchase of Goods & Services	35,085	99,243
Operating Grants & Transfers	18,424,436	18,211,568
Special Expenditures	13,045	6,100
Total Operating Costs	19,725,334	19,607,838
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	19,186	160,337
TOTAL EXPENDITURE	19,744,520	19,768,175

Women and Gender Development – General 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	611,193	569,615
Unestablished Staff	30,250	45,100
Travel & Communication	53,759	46,831
Maintenance & Operations	45,940	30,356
Purchase of Goods & Services	7,928	12,263
Operating Grants & Transfers	214,375	---
Special Expenditures	---	---
Total Operating Costs	963,445	704,165
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	280,492
Total Capital Expenditures	---	280,492
Value Added Tax	11,902	28,059
TOTAL EXPENDITURE	975,347	1,012,716

Housing 2008

Description	2008 \$	2007 \$
EXPENDITURE		
Operating Costs		
Established Staff	---	119,599
Unestablished Staff	---	2,292
Travel & Communication	---	20,000
Maintenance & Operations	---	32,000
Purchase of Goods & Services	---	6,398
Operating Grants & Transfers	---	1,000,000
Special Expenditures	---	31,773
Total Operating Costs	---	1,212,062
Capital Expenditures		
Capital Construction	---	330,647
Capital Purchases	---	---
Capital Grants & Transfers	---	1,112,000
Total Capital Expenditures	---	1,442,647
Value Added Tax	---	---
TOTAL EXPENDITURE	---	2,654,709

Appendix 19.2: Details of Drugs and Consumables Held in Quarantine

Date of Indent	On hold	Indent No.	Drugs & Consumables	Supplier	Location	Reason	Expiry Date	Qty	Amount \$
22/07/08	02/09/08	1150/08	Rifampicin/Isoniazid Tabs 150/100mg	Boucher & Muir	Miscellaneous Room	Short expiry	02/09	14	930.00
09/01/09	02/02/09	96/09	Miconzale Nitrate Vaginal Cream 2%	Multichem NZ Ltd	Miscellaneous Room	Short expiry	01/06/09	170	866.28
16/04/08	21/10/08	374/08	Econazole Pessary 150mg Packet of 3	Baroko SDN BHD	Miscellaneous Room	Short expiry	30/06/09	4,500	6,052.91
04/12/08	02/02/09	65/09	Miconzale Nitrate Vaginal Cream 2%	Boucher & Muir	Miscellaneous Room	Short expiry	01/06/09	50	289.93
22/09/08	10/11/08	1315/08	Phenylepherine eye drop 10%	South Austral Pty Ltd	Miscellaneous Room	Short expiry	01/08/09	90	5,189.27
13/02/08	05/08	230/08	Acyclovir Eye Ointment 30mg/g	South Austral Pty Ltd	Miscellaneous Room	Short expiry	01/09	270	8,248.13
01/07/08	02/09/08	1077/08	Ethosuximide Caps 250mg	Boucher & Muir	Miscellaneous Room	Short Expiry	02/09	15	599.15
08/04/08	02/09/08	429/08	Scissors dressing sharp 5.5inch	South Austral Pty Ltd	Miscellaneous Room	Poor Quality	N/A	200	493.20
11/08/08	02/03/09	1226/08	Basin Stainless Steel large - bathing	Boucher & Muir	Receipt Room	Poor Quality	N/A	50	8,062.39
			Sputum Mug Stainless Steel					100	
			Stainless Steel Bucket - Calibrated					50	
			Kidney Dish Stainless Steel 10inch Large					100	
			Bed Pan Stainless Steel - Paediatrics					20	
			Bed Pan Stainless Steel Adult					160	
			Basin Stainless Steel Adult					100	
07/04/08	02/09/08	426/08	Kidney Dish – Stainless Steel 7inch	South Austral Pty Ltd	Miscellaneous Room	Poor Quality	N/A	200	358.69
07/04/08	02/09/08	430/08	Urinal Male	South Austral Pty Ltd	Miscellaneous Room	Poor Quality	N/A	100	560.45
07/04/08	02/09/08	428/08	Tray Instrument Stainless Steel 40x27x6cm	South Austral Pty Ltd	Miscellaneous Room	Poor Quality	N/A	100	1,076.07
07/04/08	02/09/08	427/08	Gallipots Stainless Steel 5inch	South Austral Pty Ltd	Miscellaneous Room	Poor Quality	N/A	200	971.45
25/09/08	02/02/09	32/09	Calcium Chloride Injection 10% 10ml	South Austral Pty Ltd	Miscellaneous Room	-Wrong item supplied - non-English labeling	01/03/11	20	2,921.22
16/01/09	19/02/09	114/09	Nifedine Caps 10mg	South Austral Pty Ltd	Receipt Room	Tabs ordered not capsules	01/09/12	1,170	29,340.69
Total									65,959.83

Ministry's Comments

Rifampicin/Isoniazid Tabs 150mg/100mg – Taken on charge

Miconazole Nitrate vaginal Cream 2% – Senior Accountant directed not to pay supplier since short expiry drug

Econazole Pessary 150mg Pkt of 3 – 7 months stock was taken on charge & balance of 1875 packs instructed to supplier to replace

Miconazole Nitrate vaginal Cream 2% – 50 tubes accepted to be taken on charge for distribution.

Phenylephrine eye drop 10% – 40x20 accepted. Balance of 50x20 to be credited for cash or replaced with better expiry.

Acyclovir Eye Ointment 30mg/g – All stock 270 tubes take on charge for distribution.

Ethosuximide caps 205mg – Taken on charge for distribution 11/09/08.

Scissors dressing sharp 5.5 inch – Taken on charge on 11/12/08 for distribution.

Basin stainless steel large (bathing) – Taken on charge for distribution on 03/04/09.

Sputum Mug stainless steel – Taken on charge for distribution on 03/04/09.

Stainless steel bucket calibrated – Taken on charge for distribution on 03/04/09.

Kidney dish stainless steel 10 inch large – Taken on charge for distribution on 03/04/09.

Bed pan stainless steel (paediatrics) – Taken on charge for distribution on 03/04/09.

Bed pan stainless (adult) – Taken on charge for distribution on 03/04/09.

Basin stainless steel adult – Taken on charge for distribution on 03/04/09.

Kidney dish (Stainless steel 7 inch) – Donated by supplier as per email dated 02/12/08.

Urinal male – Donated by supplier as per email dated 02/12/08.

Tray instrument stainless steel 40x27x6 – Donated by supplier as per email dated 02/12/08

Gallipots s/s 5 inch – Donated by supplier as per email dated 02/12/08.

Calcium chloride injection 10% 10ml – Taken on charge for distribution 11/02/09.

Nifedipine caps 10mg – Tender evaluation: tablet was accepted by Mr. Vosanibola & taken on charge for distribution on 20/2/09

Further OAG Comments

Audit is of concern that these items were taken on charge, despite these items were quarantined due to short expiry, poor quality, wrongly supplied, and had non-english labelling.

Appendix 19.3: Details of Expired Drugs

Item Code	Drugs	Date Expired	Cost \$
264	Probenacid Tabs	30/04/08	2,592.00
192	Methotrexate Injection	30/04/08	3,200.40
8	Adrenaline Injection 1mg/ml	01/05/07	1,664.81
2110	Vinblastine Injection 10mg	01/09/07	1,625.71
175	Lignocaine Plain Injection 1%	01/12/07	1,544.02
903	Syringe Disposable 50ml	01/01/07	1,446.29
46	Calciferol Strong Tabs 50000 units	01/12/07	1,398.00
40	Bupivacaine Plain Injection 0.5%	31/05/08	139.20
42	Bupivacaine with Adrenaline	31/05/08	7,003.50
101	Dopamine Injection 200mg/5ml	31/05/08	15,221.25
218	Nystatin Suspension	31/05/08	361.05
265	Procarbazine HCL Caps 50mg	30/05/08	8,686.00
405	Amiodarone Injection 150mg/3ml	31/05/08	393.12
218	Nystatin Suspension 100000u/ml	31/05/08	8,426.16
101	Dopamine Injection 200mg/5ml	31/05/08	6,075.00
32548	Bag Blood Double CPDA	30/05/08	11,504.60
32631	Ferrous Sulphate Elixer	31/03/08	1,183.38
353	Daunobubicin Injection 20mg	30/04/08	128.15
350	Adriamycin (Doxurubicin) 50mg	30/03/08	2,292.22
2099	Dacarbazine Injection 20mg	30/04/08	356.04
87	Desferrioxamine Injection	31/11/07	856.80
640	Colostomy Bags	14/10/07	245.00
32631	Ferrous Sulphate Elixer	31/03/08	13,931.61
32627	Pentavalant Vaccine	31/01/09	17,938.48
1289	HBV Infant Injection 10MCG	14/06/08	1,224.00
110	Ephidrine Nasal Drops	30/06/08	250.98
983	Suture Polyglycolic Acid	30/06/08	974.60
1877	X-ray Contrast Media	30/06/08	1,568.64
32496	Endotracheal Tubes 22G	11/07/08	1,512.00
32497	Endotracheal Tubes 6.5 Uncuffed	11/07/08	1,596.00
32493	Endotracheal Tubes; Neonatal Size 4.0 Uncuffed	11/07/08	6,391.00
1298	Tetanus Toxoid Injection 10Dose	30/07/08	38,049.44
1290	HBV Adult Injection 20mg	31/07/08	4,204.20
961	IV Giving Set Adult 60 Drops	31/07/08	1,042.93
811	Syringe Disposable 10ml	31/07/08	55,599.73
903	Syringe Disposable 50ml	31/07/08	204,754.00
343	Quinine Sulphate Tabs 300mg	31/08/08	14.00
4	Acetylcholine Chloride Injection	30/08/08	594.00
127	Fluorescein Eyedrops 2%	30/08/08	22,269.60
1284	PPD Human Tubercillin	30/08/08	1,095.50
32646	Salbutamol Nebules 2mg	30/09/08	388.00
95	Digoxin Tabs 250mg	30/09/08	37,490
32646	Salbutamol Nebules 2mg	30/09/08	68.00
117	Thinylestradiol Tabs	30/10/08	10,629.36
3	Acetic Acid Solution	20/02/08	11,467.08
9	Alcuronium Injection	29/02/08	3,181.60
349	Actinomycin D. Injection	31/03/08	13,006.50
2097	Bleomycin Injection	29/02/08	1,093.92
181	Lignocaine Topical Spray B CM 763	30/01/08	606.10
181	Lignocaine Topical Spray B CR 135	30/01/08	1,004.85
395	Oxybutnin Tabs	31/01/08	287.28
1863	CT Laser Films	30/01/08	6,223.69

Item Code	Drugs	Date Expired	Cost \$
12936	Measles Rubella Injection EU 941	30/01/08	18,357.00
1293	Measles Rubella EU 933	30/01/08	13,504.00
32491	Neo Natal Chest Electrode	21/04/08	2,651.73
264	Probenacid Tabs 500mg	30/03/08	5,280.00
950	IV Blood Giving Set	30/04/08	1,997.57
79	Cyclophosamide Injection	30/03/08	64.12
175	Lignocaine Plain Injection	30/04/08	656.60
1175	Gemini Set 2280-0000	30/04/08	18,255.20
1289	HBV Infant Injection 10MCG	31/03/08	6,286.32
1152	Methylhydroxybenzoate Pulv 100g	31/12/07	229.41
1284	PPD Human Tuberculin	31/03/08	1,205.50
1285	Anti-D-NRHD Immunoglobulin Injection	31/03/08	9,211.50
1426	Conray 280 (ionic contrast medium)	30/03/08	4,636.70
74	Cisplatin Injection 50mg	31/03/08	37,744.25
1863	X-ray Films (Box of 100) 35 x 43cm	31/03/08	1,716.88
838	Tubes Feeding Infant 10FG	28/02/08	99.18
900	Y Type Peritorial Dialysis Set	28/02/08	1,015.49
181	Lignocaine Topical Spray B CM 763	31/01/08	47,850.00
517	Peritoneal Dialysis Solution 4.25%	31/01/08	16,502.40
1445	Barium Sulphate Suspension	31/12/07	150.72
1175	Gemini Set 2280-0000	31/03/08	30,505.40
514	Peritoneal Dialysis Solution 1.5%	29/02/08	1,980.00
900	Y Type Peritorial Dialysis Set	29/02/08	30,122.40
374	Blood Glucose Monitoring Strips	21/02/08	166,950.00
264	Probenacid Tabs 50mg	30/04/08	2,592.00
192	Methotrexate Injection	30/04/08	3,236.40
204	Morphine Solution 1mg/ml - BX89C	Apr-07	2,182.78
	CE67B	Sep-07	2,104.36
	CP64B	May-08	1,673.03
	CB68A	Jan-07	1,307.06
	BF95A	Jan-06	261.41
	P559A	Sep-01	182.99
	CM55A	Sep-07	130.71
	DB50B	Jan-09	2,391.91
	W295A	Mar-04	261.41
427	Methylphenidate Tabs 10mg - 6D0392	Jan-08	508.75
	B5043	Jun-07	46.25
	3L098	Jun-05	740.00
77	Codeine Phosphate Tabs 30mg – 46876	Aug-06	88.53
	28121	Oct-04	2,491.91
	55785	Apr-07	59.02
	21086	Feb-04	1,032.89
233	Pethidine Injection 50mg/ml - KKMR22077	Mar-07	14.70
203	Morphine Injection 10mg/ml - M124520	Apr-04	41.91
Total			973,120.18

Appendix 19.4: Unclaimed Patients Belongings

Patients Name	Unclaimed items
Maya Wati	Ladies Purse
Moshni Devi	Ladies Purse
Latchman Gautum	Ladies Purse
Vinaini R	Ladies Purse
Ateca Ranadi	Ladies Purse
Gulab Chand	Ladies Purse
Vinay Reddy	Ladies Purse
L. Robin	Ladies Purse
Shin Kuar	Ladies Purse
Bimla	Ladies Purse
Chandra Wati	Ladies Earrings
Phil Kuar	Chain and earrings
Daniel Moa	Earring and necklaces
Ana Marama	Purse with papers
Juleka	Ladies Bangles
Yashod	1 necklace, 2 hair slides, 1 safety pin
Vilisi Vula	Sunglass and 1 cross
Rukmani	1 pair of earrings
Pahalad	Purse and lottery tickets
May Lowa	Ladies Purse
Muttu Sami	Wrist Watch
Parwati Nair	Chains
Ram Dulari	Necklace
Mangari	Gold chains
Sala Ranadi Cakau	2 bangles
Kaurun	1 wrist watch, 1 jewel
Pushpa Wati	Ring and pendant
Shamshum Nisha	2 pair of bangles, 1 pair of earrings
Jaibun Nisha	Hair pins, 2 earrings
Kushma Wati	1 pair earring
Mere Tina	Purse, 1 bank book
Kamla Wati	Jewellery box
Amra Wati	Beads
Seleima	Necklace
Phil Kumar	Chain brass
Ram Pyari	Black necklace
Roshni Lata	Chains
Rameshwar Prasad	Wrist watch
Liza Robinson	Necklace
Satya Nand	Watch
Helga Gudron	Passbook with balance of \$820.63 of the Commonwealth Savings Bank of Australia
N/A	1 camera, 1 scissors
Dharam Raj	1 pair earrings, 1 plastic bangles
Arumilla	Bangles and necklaces
Queen Joji Marieta	Whales tooth (Tabua)
Rajit Singh	Silver bangles
N/A	Wrist watch
Mere Manuna	\$2 in purse, 2 wrist watch
N/A	1 camera
Lekima Nawasaitoga	1 Westpac passbook with \$9.03

Patients Name	Unclaimed items
	balance
N/A	10 purses
Gopal Naicker	1 purse
Doreen Kumar	Necklace, sunglass and purse
N/A	Necklace
Arumila	Necklace
Aca Gukilau	Purse
Seini Vikila	2 rings
Maraia	Watch
Karalaini	Passbook with \$3.05 balance
Karai George	1 purse, 1 wrist watch
Anand Prasad	Fiji medal
Yad Ali	Passbook
Pushpa Wati	Passbook
Shin Dass	Passbook, 1 wrist watch
Rupeni Lega	Purse, watch and keys
Abdul Kaiyum	1 sunglass, 1 wrist watch
Baskar Indarsen	Passport

Appendix 19.5: Discrepancies in the Patients Comfort Trust Fund Account

Date of Request	Cheque No.	Amount Approved by MS \$	Amount in Ledger \$	Date Withdrawn	Amount Withdrawn \$	Variance \$
09/08/07	64	20.00	20.00	09/08/07	120.00	100.00
N/A	65	N/A	30.00	15/08/07	180.00	150.00
	68	21.00	21.00	21/08/07	821.00	800.00
21/08/09						
N/A	70	N/A	45.00	22/08/07	155.00	110.00
N/A	71	N/A	20.00	27/08/07	921.00	901.00
30/08/07	72	45.00	45.00	30/08/07	945.00	900.00
N/A	74	N/A	60.00	04/09/07	860.00	800.00
04/09/07	75	46.97	46.97	05/09/07	846.97	800.00
18/09/07	76	50.00	50.00	18/09/07	850.00	800.00
27/09/07	78	28.60	28.60	28/09/07	928.60	900.00
02/10/07	79	20.70	20.70	02/10/07	620.70	600.00
11/10/07	80	43.00	43.00	11/10/07	843.00	800.00
N/A	81	N/A	63.00	11/10/07	863.00	800.00
23/10/07	82	55.00	50.00	23/10/07	885.00	830.00
26/10/07	84	162.70	162.70	26/10/07	1162.70	1,000.00
30/10/07	85	46.97	46.97	26/10/07	846.97	800.00
08/11/07	86	65.00	65.00	08/11/07	265.00	200.00
N/A	87	N/A	38.00	13/11/07	880.00	842.00
15/11/07	88	66.00	66.00	15/11/07	866.00	800.00
22/11/07	89	25.00	25.00	23/11/07	625.00	600.00
28/11/07	90	39.00	80.00	23/11/07	639.00	600.00
N/A	91	N/A	N/A	19/12/07	200.00	200.00
N/A	92	N/A	N/A	04/02/08	65.17	39.00
11/03/08	93	50.00	N/A	08/02/08	87.80	37.80
11/03/08	94	7.20	7.20	11/03/08	777.20	770.00
18/04/08	97	2.80	N/A	18/04/08	162.80	160.00
06/10/08	102	N/A	77.52	06/10/08	577.52	500.00

Date of Request	Cheque No.	Amount Approved by MS \$	Amount in Ledger \$	Date Withdrawn	Amount Withdrawn \$	Variance \$
N/A	104	N/A	54.13	23/10/08	854.13	800.00
N/A	106	N/A	N/A	15/12/08	250.00	250.00
N/A	107	N/A	N/A	15/12/08	240.00	240.00
N/A	108	N/A	N/A	17/12/08	555.00	555.00
Total						17,684.80

Appendix 19.6: Patients Comfort Fund –Receipts not lodged

Date	Receipt No.	Received From	Amount \$
15/02/08	428800	Sangam Institute –Nursing School	1,000.00
12/03/08	435551	Colonial Insurance	5.00
13/03/08	435553	Subramani	134.90
30/04/08	435554	Pulotu	20.00
13/05/08	435555	Mr. Alex	20.00
14/07/08	435556	N/a	100.00
16/09/08	435557	Fiji Directories Yellow Page	200.00
17/09/08	435558	Wingate Marketing Ltd	200.00
02/10/08	435560	Rotaract Club	250.00
04/10/08	435561	Ms Jamila	100.00
04/10/08	435562	Open Day Committee	226.50
07/10/08	435563	Ms Anjani Singh	1,000.00
05/12/08	435564	Leba Litiana	292.70
10/12/08	435565	Sudhir Deva	500.00
29/12/08	435568	Aiyaz Ali	20.00
Total			4,069.10

Appendix 19.7: Overpayment of Salary

(1) Resignations

Name	EDP No.	Division	Amount \$	Comment
Siteri Rasiga	30791	Lautoka Hospital	14,470.54	Officer tendered her resignation on 26/04/07 to be effective from 28/04/07. She faxed letter to Mrs Tuiloma on 27/04/07. Mrs Tuiloma just wrote a minute note on the action to be taken on the officer and filed away the letter.
Nirmala Kumar	31365	CWM Hospital	4,677.34	Advise on resignation – Late submission to salary section.
Ilisapeci Vosikata	31447	FSN	890.07	Advise on resignation – Late submission to salary section.
Elina Movono	31588	CWM	242.49	Advise on resignation – Late submission to salary section
Akeneta Rekitilako	32334	Study Leave Officer	31.54	Advise on resignation – Late submission to salary section.
Sereana Dauveiqaravi	32690	Lautoka Hospital	1,562.79	Short notice of resignation and late cession of salary.
Shaleen K Chand	32812	CWM	1,710.11	Short notice of resignation and late cession of salary.

Name	EDP No.	Division	Amount \$	Comment
Purnima Sharma	32921	Nadi Hospital	1,479.62	30 days short notice.
Ateca Ravula	33110		232.43	Advise on resignation – Late submission to salary section
Fulori Daunibau	33132		39.55	Advise on resignation – Late submission to salary section.
Losena Finau	33135		658.56	Short notice of resignation and late cession of salary.
Agnes Rose Rounds	33227	Nausori	1,168.61	Short notice of resignation and late cession of salary.
Durga Durgeshi Naidu	33240		1,174.12	Short notice of resignation and late cession of salary.
Reshmi D Narayan	33567		146.08	Advise on resignation – Late submission to salary section.
Nilam Naidu	33699	Lautoka Hospital	5,782.42	Short notice of resignation and late cession of salary.
Josefa Cokanauto	33709	Study Leave Officers	2,728.76	Short notice of resignation and late cession of salary.
Ulamila Masirewa	33751	CWM	1,416.64	Short notice of resignation and late cession of salary.
Brijesh Singh	33806	Taveuni Hospital	1,255.76	Short notice of resignation and late cession of salary.
Shyamil Veeran	33957	Lautoka Hospital	1,156.48	Short notice of resignation and late cession of salary.
Artika Ben	33957	DMO Western	4,032.24	Short notice of resignation and late cession of salary.
Ireen Deo	34248	Labasa Hospital	140.65	Advise on resignation – Late submission to salary section.
Isireli Lewanavanua	61041	CWM	971.88	Advise on resignation – Late submission to salary section.
Rupa Rao	61323	Western Public Health	2,440.48	Advise on resignation – Late submission to salary section.
Adriu Sepeti	62836	Lautoka Hospital	5.35	Advise on resignation – Late submission to salary section.
Josese Vereti	62481	CWM	171.15	Advise on resignation – Late submission to salary section.
Ramesh C Ram	63531	CWM	2,577.41	Short notice of resignation and late cession of salary.
Ledua Siga	63787	FSN	845.20	Advise on resignation – Late submission to salary section.
Meli Vakacabeqoli	64894	Study Leave Officers	2,348.90	Short notice of resignation and late cession of salary.
Madhukar Marvin Kumar	90309	CWM	14,503.15	PSC Scholarship Loan.
Lovobalavu Adela	63668	Taveuni Hospital	2,765.46	Student Bond PSC Scholarship loan.
Parikshath C Naidu	63993	Lautoka Hospital	1,680.20	Short notice of resignation and late cession of salary.
Loata Serau	59705	Lautoka Hospital	1,672.96	Short notice of resignation and late cession of salary.
Total			74,978.94	

(2) Retirement

Name	EDP No.	Division	Amount \$	Comment
Merewairita Laudola	30600	Lautoka Hospital	1,057.53	Salary section was advised late on the retirement of Officer.

Name	EDP No.	Division	Amount \$	Comment
Suru J Chand	30897	Ra Health Centre	442.09	Salary section was advised late on the retirement of Officer.
Salusalu L.T	31022	Valelevu Health Centre	90.74	Salary section was advised late on the retirement of Officer.
Sereima R	31136	Lautoka Hospital	408.45	Salary section was advised late on the retirement of Officer.
Litia Levulevu	58104	Tamavua Hospital	74.39	Salary section was advised late on the retirement of Officer.
Total			2,073.20	

(3) Deemed to Resign

Name	EDP No.	Division	Amount \$	Comment
Maria V Biu	33276	Nadi Hospital	745.60	Deemed resignation w.e.f. 29/10/08
Susan Pratika Lal	33745	Tamavua Hospital	1,084.20	Deemed resignation w.e.f. 20/09/07
Rashni Ranjani Lal	33845	CWM	1,369.48	Deemed resignation w.e.f. 10/11/08
Sherad Sharma	34086	CWM	3,401.92	Deemed resignation w.e.f. 01/01/08
Narend Chand	59893	Labasa Hospital	618.96	Deemed resignation w.e.f. 03/12/07
Total			7,220.16	

(4) Passed Away

Name	EDP No.	Division	Amount \$	Comment
Seruwaia Nawaibalavu	30904	Savusavu Hospital	243.61	Salary section was advised late on the Death of Officer.
Ateca Masi	32041	CWM	779.43	Salary section was advised late on the Death of Officer.
Ikimawa T A	32132	CWM	673.62	Salary section was advised late on the Death of Officer.
Keasi Tokacau	32361	Sigatoka Hospital	795.64	Salary section was advised late on the death of Officer.
Kalesi Bau	32532	CWM	412.64	Salary section was advised late on the death of Officer.
Eroni Tuibuca	49222	Nausori Hospital	283.48	Salary section was advised late on the death of Officer.
Total			3,188.42	

(5) Termination

Name	EDP No.	Division	Amount \$	Comment
Unaisi Sukanivalu	32822	Labasa Hospital	516.13	Salary section was advised late on the termination of the officer
Maraia Ulalia	33683	Vunidawa Health Center	1,115.70	Salary section was advised late on the termination of the officer
Peter Zinck	53660	Government Pharmacy	46,716.94	Salary section was advised late on the termination of the officer
Total			48,348.77	

(6) Leave Without Pay

Name	EDP No.	Division	Amount \$	Comment
Nabuli Raijieli	32385	Lautoka Hospital	61.73	Salary section was advised late that officer is on leave without pay.
Ana Mataika	32741	SDMO Suva	1,331.13	Salary section was advised late that officer is on leave without pay.
Temanibwebwe Arouea	33079	CWM Hospital	591.85	Salary section was advised late that officer is on leave without pay.
Dineshni Lata	33114	Labasa Hospital	1,781.99	Salary section was advised late that officer is on leave without pay.
Agnes McKay	33481	Levuka Hospital	547.79	Salary section was advised late that officer is on leave without pay.
Ravinesh Kumar	33710	CWM Hospital	53.81	Salary section was advised late that officer is on leave without pay.
Sulueti Vuki	33742	CWM Hospital	1,059.06	Salary section was advised late that officer is on leave without pay.
Nawadra V	58905	Government Pharmacy	1,009.10	Salary section was advised late that officer is on leave without pay.
Anaseini Cakaunitabua	60669	CWM Hospital	953.10	Salary section was advised late that officer is on leave without pay.
Sireli Vaka dravuyaca	61520	CWM	465.55	Salary section was advised late that officer is on leave without pay.
Jeremaia Mataika	62501	Labasa Hospital	470.67	Salary section was advised late that officer is on leave without pay.
Mireta Noere	63149	St Giles Hospital	6,462.13	Salary section was advised late that officer is on leave without pay.
William Koong	63961	CWM	38.85	Salary section was advised late that officer is on leave without pay.
Pauline Prabha	64851	Levuka Hospital	39.27	Salary section was advised late that officer is on leave without pay.
Total			14,866.03	

(7) Did not Resume Duties

Name	EDP No.	Division	Amount \$	Comment
Selina Kosoituku	32573	Nausori Hospital	3,584.31	Salary section was advised late to cease salary
Lusiana Tudravu	34298	Tamavua Hospital	7,844.45	Salary section was advised late to cease salary
Brij Beo	53867	CWM	319.48	Salary section was advised late to cease salary
Wiliam May	59261	CWM	4,109.50	Salary section was advised late to cease salary
Renata Ram	90405	CWM	304.37	Salary section was advised late to cease salary
Total			16,162.11	

(8) Missing from Work

Name	EDP No.	Division	Amount \$	Comment
Mereoni Binitabua	33336	Vunisea Hospital	3,692.68	Missing from work for 1 month and salary section was advised late to cease salary.
Amelia Turagabeci	61322	Central Public Health	663.17	Absent from work for 2 weeks and salary section was advised late.
Total			4,355.85	

(9) Study Leave Without Pay

Name	EDP No.	Division	Amount \$	Comment
Lavenia Tukana	32201		3,255.27	Salary section was advised late to cease salary.
Total			3,255.27	

(10) Suspension from Duties

Name	EDP No.	Division	Amount \$	Comment
Alipate Gonerogo	18258	Head Quarters	2,198.62	Salary section was advised late to cease salary
Vitalina Radinisiwa	33207	DMO Northern	309.91	Salary section was advised late to cease salary
Wakesa Davetanivalu	49132	Ba Mission Hospital	268.40	Salary section was advised late to cease salary
Mere Tora	59022	Nabouwalu Hospital	171.30	Salary section was advised late to cease salary
Total			2,948.23	

Appendix 19.8: Overpayment of Salary on Resignations from 2006 – 2007

EDP No.	Officer's Name	Total Overpayment \$	Amount Recovered \$	Audit Comment
15387	Nainoca A Naarecoko	768.25	---	Letter was written to inform the officer. No recovery was made.
18899	Ligabalavu Railala	654.41	---	No receipt for recovery made as sighted in file
19014	Seruwaia Young	790.91	---	No receipt for recovery made as sighted in file
31058	Lanieta Koyamaibole	2,587.49	---	File missing
31075	Mereani Saumi	569.23	---	No receipt for recovery made as sighted in file
31523	Mereseini Simpson	5,874.26	---	No receipt for recovery made as sighted in file
31231	Apiuta Waitui	2,258.44	---	File missing
31395	Saini M L	634.56	---	No recovery made
31542	Ravasakula M	2,570.47	---	No recovery made
31764	Racolo S	3,475.40	---	No recovery made
32609	Salacieli Lotawa	578.48	---	No recovery made
32940	Priya Frances	2,141.38	---	No recovery made
33026	Maria Nora	1,547.89	---	No recovery made
33381	Laxshmi Devika Rama	2,710.51	---	No recovery made
33438	Shirlvindar Kaur	840.25	---	No recovery made
33598	Tazneem Razia	460.78	---	No recovery made
33677	Losana Bise	2,002.56	---	No recovery made
33959	Asena Marawa	1,077.82	---	No recovery made
40271	Premilla Sharan	525.00	---	No recovery made
45642	Josaia Maka	4,282.40	---	No recovery made. Officer now in NZ.
45652	Sau J	3,980.84	---	No recovery made
60832	Aminiasi Tavui	548.75	---	No recovery made
64438	Poasa T	544.04	---	No recovery made
64488	Mereseini N	798.28	---	No recovery made
60330	Zheng D	1,720.30	---	No recovery made. No arrangement in file
33564	Ravina Kumar	1,015.80	---	No recovery made. Now residing in NZ.
33252	Jonetani Rokona	69.75	---	No recovery made
32852	Meena Prasad	673.10	---	No recovery made
33628	Viliame T	6,237.56	---	No recovery made. Officer now in Tonga. Wife in FSM

EDP No.	Officer's Name	Total Overpayment \$	Amount Recovered \$	Audit Comment
				and a letter has been written to her to recover this amount.
33767	Aketa Tiaon	1,264.63	---	No recovery.
64555	John Morris	5,888.24	---	No recovery. Officer an Australian national, now in Australia.
Total		59,091.78	---	

Appendix 19.9: Consolidated Allowances

EDP No.	Name	Station	Remarks	Allowance per Pay \$	Allowance Paid to be Recovered. \$
33452	Viema Qorovakarua	Navua Health Service/ Waivaka Nursing Station	(Pay01 – 26) .Officer on A/L wef 12/05-20/05/08, 21/05-28/05/08. Allowance has to be recovered for this period.	78.42	156.84
33505	Bulou Keleni	Bukuya Health Center	(Pay01-03)	82.55	247.56
33482	Akariva Ravula	Taveuni Hospital	(Pay01 – 26)	82.55	2,146.30
33570	Ro Anaseini K	Levuka Health Service/ Moturiki Nursing Station	(Pay01-26) Officer was on leave wef 25/08-17/09/08 where allowance has to be recovered.	61.03	122.06
33587	Macanawai S	Lautoka Hospital	(Pay01-09)	75.90	683.10
33589	Sera V M	Nadi Hospital	(Pay01-26)	62.70	1,631.76
22227	Isoa Natui	Ba Health Service	Pay 01 - 04	80.96	323.84
33672	Leba Mereani	Lautoka Hospital	Pay 01 - 26	55.69	1,447.94
33679	Makereta Rosi	Lakeba Health Service/ Udu N/S.	Pay 01 - 26 Officer on maternity leave wef 21/01/08-14/04/08 and A/L wef15/04-05/05/08 where allowance has to be recovered.	55.70	445.60
33718	Roseruvatu A	Onoi Lau Health Center/ Onoi Lau N/S	Pay 01 – 26. Officer on A/L wef 24/12/07-23/01/08, 13/02/08-15/02/08 but return to station on 7/03/08. Allowance has to be recovered.	75.90	379.50
33732	Sera Naiti	CWM Hospital	Pay 01 - 02	64.01	128.02
33741	Sokoveti R	Lautoka/Yasawa Health Center	Pay 01 - 26	79.37	2,063.62
33748	Tokasa Y M	Levuka Health Service	Pay 01 - 09	55.69	501.21
33764	Timaima W	Namarai Health Center	Pay 01 - 26	80.96	2,104.96
33811	Elenoa Neioaba	Lautoka Hospital	Pay 01 - 09	73.96	665.64
33917	Nanise Natoga	Korovou Health Service	Pay 01 - 26	74.87	1,946.62

EDP No.	Name	Station	Remarks	Allowance per Pay \$	Allowance Paid to be Recovered. \$
33948	Agilina Sophi	Navua Health Center	Pay 01 -04	15.38	215.32
33804	Atelaini Naini	Labasa Hospital	Pay 02 – 07 + 421.89	60.27	843.78
33925	Rajesh Chand	Labasa Hospital	Pay 02 – 13 + 639.10	63.91	1,469.93
34015	Loata Marama	Lautoka Hospital	Pay 02 - 06	60.28	361.68
33924	Ifereimi R	Savusavu Health Service	Pay 03 - 16	77.86	1,245.76
33807	Denisia Naikusa	Nadi Hospital	Pay 04 – 22 + 327.50	73.96	1,954.69
31492	Yabakidua T	Wainikoro Health Center	Pay 01 - 26	63.27	1,645.02
31644	Bernadette L N	Moala Health Center	Pay 01 - 14	103.64	1,450.96
31763	Vere M L	Korovou Health Service/RKS Nursing Station.	Pay 01 – 26. Officer on Annual Leave wef 08/12/08 – 09/01/09, where allowance has to be recovered.	103.64	207.28
32191	Alanieta Senicagi	Nausori Health Center	Pay 01 -10	63.27	632.70
32347	Rainima Daina	Korovou Health Center	Pay 01 - 26	98.45	2,559.70
32478	Bentitai Tarome	CWM Hospital	Pay 01 - 11	67.12	732.32
32483	Rainima Vani	Lautoka/Yasawa Health Center	Pay 01 - 26	15.38	399.88
32588	Unaisi Basecala	OPH - Labasa	Pay 01 – 26	67.11	1,744.86
32650	Duilomaloma Ilisapeci	Lautoka/Yasawa Health Centre	Pay 01 - 14	65.09	911.26
32821	Belebele Tokasa	Vunisea Health Services/Soso Nursing Station	Pay 01 – 14 . Officer Post Basis to FSN from 14/4/08-14/12/08. Pay 9 to 14 to be recovered.	76.18	457.08
33038	Milika Qilu	Vunisea Health Service	Pay 01 - 26	61.06	1,587.56
33057	Repeka Tinaisoni	Natewa Health Center	Pay 01 -26	61.06	1,587.56
33081	Viniana Qalo	Vunidawa Health Center	Pay 01 -26	55.26	1,436.76
33120	Iliseva Labalaba	Korovisilou Health Center	Pay 01 - 06	54.18	325.08
33177	Roma Salote	Vunisea Health Service	Pay 01 - 26	55.26	1,436.76
33202	Unaisi Mateinai	Nausori Health Center	Pay 01 - 07	56.98	398.86
33207	Vitalina R	Nothern Health Service	Pay 01 - 03	59.26	177.78
33214	Jovilisi Qiboni	Vunidawa Health Service	Pay 01 - 26	52.50	1,365.00
33235	Asenaca Adi	Savusavu Health Service	Pay 01 - 14	59.26	829.64
33239	Divuso Turaga	Sigatoka Health Service	Pay 01 - 26	59.26	1,540.76
33251	Jane Vakasa	Kabara Health Center	Pay 01 - 26	59.26	1,540.76
33286	Nora Vasukorolevu	Qarani Health Center CWM	Pay 01 -02 Pay 03 - 08	80.68	645.44
33364	Inise Teira	Navua Health Service	Pay 01 - 26	75.90	1,973.40
33590	Vodoimuri Sera	Northern Health Service	Pay 05 – 26 + 410.85	63.91	1,369.50
33331	Vika Seru	Ba Mission Hospital	Pay 07 – 26 + 675.54	81.53	2,224.61
33463	Luisa Vakatale	Nabouwalu Health Service	Pay 11 – 26 + 533.68	63.90	1,492.18
33361	Fulori Leweni	Wainibokasi Health Service	Pay 12 – 26 + 1,154.64	79.24	2,184.76
33776	Latileta Salia	Rakiraki Health Service	Pay 12 – 26 + 539.35	63.91	1,434.09
33825	Kesaia Rogoyawa	Lomaloma Health Service	Pay 12 – 26 + 1,081.75	63.91	1,976.49
33903	Ulamila Naulivou	Lautoka/ Yasawa Health Service	Pay – 12 – 26 + 980.83	63.91	1,875.57
33970	Dali Tabua	Labasa Hospital	Pay – 12 - 26	63.91	966.28
32135	Talanuku K	Namuamua	Pay 13 – 26 + 1,152.02	118.59	2,693.69
32614	Liku Vonokula	Rakiraki Health Center	Pay 13 – 26 + 1,293.50	99.50	2,587.00
33311	Sera Tamoi	Mokani Health Center	A lump sum of \$623.12 was paid	–	623.12

EDP No.	Name	Station	Remarks	Allowance per Pay \$	Allowance Paid to be Recovered. \$
34058	Ro Iva Q	Vunisea Health Service	Pay 15 – 26 + 577.71	76.30	1,417.01
34064	Rusila Aditora	Vunisea Health Service	Pay 15 – 26 + 577.71	76.30	1,417.01
34036	Miliana Tuvou	Nausori Health Center	Pay 16 – 26 + 922.62	80.90	1,731.62
32482	Vakaloloma Y	Beqa Health Center	A lump sum of 1,196.34 was paid	–	1,196.34
33611	Ateca Bull	Dreketi Health Center	Pay 08 – 26 + 1,294.24	80.90	1,941.36
33243	Emeline V	Suva Health Center	Pay 19 – 26 + 784.76	83.22	1,367.21
32724	Mereadani M	Vunidawa Health Center	Pay 23 – 26	59.45	237.80
33695	Naomi Qalotaki	Taveuni Hospital	Pay 23 – 26 + 1,288.59	80.90	1,531.29
34017	Losalini Popua	Savusavu Health Service	Pay 24 – 26	76.30	228.90
34123	Wilfred Vono	Lakeba Health Service	Pay 25 – 26	76.30	152.60
34063	Ruci S	Levuka Health Service	Pay 26	77.85	77.85
Total					77,398.43

Appendix 19.10: Cases where the Disciplinary Board failed to take Action

EDP No.	Name	Case	Recommendation & Progress	Audit Comments
17242	Alipate Drulidruli	Alleged to have misappropriated funds totalling more than \$7,000.00 in the procurement of goods and services in Northern Health Services	Recommended that the officer be charged and surcharged for the amount misappropriated.	The officer has been terminated on the 29/07/08. Nothing has been recovered from him as at the date of audit.
53614	Ana V. Qadrodro	Alleged to have misappropriated funds totalling \$3,427.59 allocated by WHO for the Project Funds for Medical Registration Upgrade Project, 2007. She was approved to undertake the project on 29/01/07 by DCS with the recommendation from DNSS.	Recommended to be charged. Recovery was effected on pay 1 of 2008.	As at to date, 15/04/09 no recovery has been made and the matter was not reported to the police.
UK 742	Misaele Tuinaqaidamu	Alleged to have misappropriated funds totalling \$1,145 between November and December of 2007 whilst working as a recorder at the A&E department	The officer had submitted his explanation to Mr. Matalau at CWM Hospital. Termination letter dated 18/03/08	Terminated on the 29/07/08. Nothing recovered from him. The matter was not reported to the police.
62596	Mere Marama	Alleged to have continued with her delaying tactics in the lodgement of revenue. The officer used \$471.15 with effect from 26/05/08 to 03/06/08 and paid it back on 05/06/08.	Minute to DCS recommending the removal of the officer from Savusavu hospital	Staff still in Savusavu as Clerical Officer. Was issued with a warning letter.
		Alleged to have removed some items from the hospital stores.	Recommended that the officer be surcharged for the missing items.	Not surcharged yet. No deduction in payroll system as at the date of audit
59802	Jittendra Lal	Alleged to have misappropriated funds totalling more than \$7,000 in the procurement of goods and services in the Northern Health Services.	Recommended that the officer be charged and surcharged for the amount misappropriated.	Not surcharged but officer was terminated on 29/07/08.

EDP No.	Name	Case	Recommendation & Progress	Audit Comments
58856	Salote Takala	Alleged to have behaved unprofessionally and irresponsibly and abused his professional responsibility by making excessive orders of meat and chicken on 29/11/07(requisition dated 23/11/07, No.115597) for the patients in the Hospital which was later disposed off.	Recommended that the officer be charged for her unethical and unprofessional conduct.	Not surcharged. Officer transferred to Lautoka Hospital to work under supervision.
61322	Amelia Turagabeci	Alleged to have gone on unauthorized study leave with pay for four years with effect from October 2003 to October 2007 undetected.	Officer's salary for four years to be deducted from her salary. The amount of deduction is \$250 per fortnight for a period of 10 years.	Failure of her supervisor to monitor her unauthorized study leave. As at the date of audit nothing has been recovered. The matter was reported to police. Resigned on 26/02/08.
62599	Ashad Ali	Alleged to have poor attendance continuously despite being warned and salary deducted on numerous occasions	Officer be counselled and issued with a caution letter.	No caution letter in his personal file. Lenient in handling his case as he is frequently late and is not improving.
		Audit noted that Mr Ashad Ali, EDP 62599, engaged a total of 8 labourers on Saturday 9th of August 2008, without any approval to remove the rubbish from Tamavua Carpenters Workshop. The hiring of labourers amounted \$259.36		No action was taken.

Appendix 19.11: Disciplinary Cases for which No Action Taken

EDP No./ LPO	Name	Substantive Post	Irregularities	Action taken	Audit check in 2008	Current post
64359	Naushad Buksh	Clerical Officer at Health -HQ	Forging quotations and fraudulently assisting associate companies with \$38,442 worth of procurements	Officer re-assigned from FPS to HQ	No recovery made for losses and no progress noted in the case.	Clerical officer at Health-HQ
45858	Matai Matakitoa	General Manager Corporate Service	Authorised \$54,661 to J.J Roedan Ace and \$4,000, to SDA youths without any authority.	No action taken to date	No action taken to date of audit	Officer had resigned from the Ministry in 2008.

EDP No./ LPO	Name	Substantive Post	Irregularities	Action taken	Audit check in 2008	Current post
			Split LPO's whilst repairing a Dental Caravan GM 385 at Marine Motors for \$11,890	Surcharge was recommended	No action taken to date of audit.	
LPO #: 48374 8/18/2006	Health Staff		Paid Raiwaqa Buses Limited for cost for hiring of 60 seater bus for taking Ministry Choir for the Methodist Church Annual Conference from Suva/Nausori/Suva wef 18/8/06 for \$250.	We agree to recover the cost of the bus from Committee members responsible for this social event.	No evidence of recovery.	
LPO #: 36150 10/28/2005	Health Staff		Paid Siteri's Catering Services for cost of providing: Catering Services for Ministry of Health's Sports Day. (Dinner on 29/10/05 for 700 people x \$7.50 & Lunch for 400 people x \$7.50) = \$8250 X 50% = \$4125.	We agree to recover money expended from those officers responsible.	No evidence of recovery.	
LPO #: 36150 10/28/2005	Health Staff		Paid Siteri's Catering Services for MOH Sports Day.(2x\$245.00)	We agree to recover money expended from those officers responsible.	No evidence of recovery.	
LPO #: 40177 16/2/2006	Health Staff		Paid Life Insurance Corporation of India for damages to the partitions in the staircase of LIC Building during central/eastern health services renting of the premises. The loss was \$480.	Further investigation will be conducted to determine as to why PSC was not advised and the cost of repairs to be met from "Office Accommodation" vote. Officers found responsible will be surcharged as recommended.	No investigation was conducted and no officer was surcharged.	
LPO #: 30728 11/8/2005	Health Staff		Paid Lalas Store for cost of providing lawyers legal court uniform for legal officers of Ministry of Health. The cost incurred was \$685.	We agree that the amount is to be recovered from the officer's salary we will communicate with your office further on this.	No action taken	
14623	Gyan Prakash (officer authorized the repairs at Jeral Auto	Senior Health Inspector	Three 3 Leco (mosquito spraying) machines used by Health Officers were taken to Jeral Auto	Your comments are noted. The Ministry's Disciplinary Committee has examined the issues	No action taken	

EDP No./ LPO	Name	Substantive Post	Irregularities	Action taken	Audit check in 2008	Current post
	Service		Services on 2/11/06 for repairs. ¹¹⁶ The company was paid \$2,700 on 20/12/06 but it was revealed that none of the three machines have been repaired to date. Jeral Auto Services ceased operations in early 2007.	raised with a view of taking disciplinary action against the officers responsible.		
	Pharmacists at the Labasa Hospital		The non adherence to the cold chain policy and lack of awareness of the policy resulted in the damages to the vaccines totalling \$39,272.52, thus wastage of public funds.	We agree to further query officers on duty during that particular Sunday to determine whether the damages could have been avoided and not due to "negligence of duty". Should it be proven, as "negligence" appropriate disciplinary action will be taken against those responsible.	No action taken	
18901	Penina Cirikiyasawa	Principal Admin Officer	-Failed to enter into a contract with Falekau South Pacific Limited. -Advance payments of \$100,000 were made with the first \$60,000 on 13/01/05 and \$40,000 on 27/09/05.	Management said they would further investigate to determine the officers responsible for the advance payment and take appropriate disciplinary action.	No action taken to date.	Resigned from the Ministry in 2008.

¹¹⁶ LPO number 51716

EDP No./ LPO	Name	Substantive Post	Irregularities	Action taken	Audit check in 2008	Current post
	Tamavua Garage Mechanics		<p>As reported in the 2006 audit report, some vehicles parts had gone missing whilst taken for repairs at private garages, refer below for details:</p> <p>GN132 was repaired at Shika Motors where it was discovered that \$4,414.75 worth parts were missing.</p> <p>GL064 was parked at Marine Motors and upon dismantling at the Tamavua garage it was discovered that parts were missing.</p> <p>CO362 had parts missing when taken to Shika Motors for repairs.</p>	Your comments are noted. This will be covered under the full Investigation to be conducted. Officers found negligent and who were responsible for the "losses" will be disciplined.	No investigation was conducted.	
	Tamavua Garage Mechanics		The 2006 audit report highlighted cases of cannibalizations of vehicle parts.	Your comments are noted. This will be covered under the full Investigation to be conducted. Officers found responsible for the alleged cannibalization of motor parts will be disciplined.	No investigation was conducted.	
	Tamavua Garage Mechanics		Audit noted that \$9,079.00 worth of tools and machines were missing from the Garage.	Your comments are noted. We will keep your office updated once a Board of Survey is completed and appropriate action taken on all missing tools mentioned.	No board of survey carried out at the Tamavua Garage and no one was held responsible for the missing tools worth \$9,079.00, as audit again verified that the tools remained unaccounted in March, 2008.	

Appendix 19.12: Overtime Claimed by Lab Technicians**CWM Lab Technicians**

EDP No.	Name	Annual Salary \$	2008 \$	2007 \$	2006 \$
90134	Seniloli Miliakere	14,889.00	11,214.2	1,864.85	---
90133	Gounder Ardhana	14,889.00	9,087.24	858.14	---
90345	Kaur Jashvindar	14,889.00	503.01	---	---
90347	Sudhakar Atleshwar	14,889.00	3,096.59	---	---
59010	Gonelevu Alanieta	17,844.00	4,208.1	1,649.33	---
64011	Chand Rajnil	14,889.00	4,243.00	3,817.16	6,175.27
64859	Prasad Nandika	14,889.00	8,779.66	4,418.78	---
64008	Vijesh Lal	14,889.00	9,178.5	7,081.93	10,879.43
64381	Maharaj Praneel	14,889.00	11,949.59	6,105.28	6,374.14
64857	Chand Sunil	14,889.00	9,665.22	5,305.74	---
62845	Mekemeke Eparama	14,889.00	10,168.23	1,167.29	441.67
59012	Baro Silovate	17,844.00	6,334.55	2,361.3	3,346.1
62486	Prasashwini	14,889.00	3,148.66	2,700.27	4,873.19
60288	Cabemaiwai Talica	17,305.00	4,411.93	7,098.92	5,345.47
63661	Togoloa Mereoni R	14,889.00	3,413.98	6,157.89	2,492.37
61274	Malani Paulini	16,763.00	13,647.4	13,708.16	10,810.41
63947	Nizamee	14,889.00	8,668.02	9,990.68	8,515.05
46192	Manuca Reaoi	19,258.00	18,096.38	13,433.51	10,130.71
62487	Parkash Sujit	14,889.00	9,249.5	10,895.18	8,191.77
59367	Viuyasawa Litia	17,305.00	11,392.3	9,745.00	8,435.16
53659	Batinivoka Arieta	16,763.00	5,972.28	9,171.06	11,955.27
60084	Davetanivalu Daiana	17,305.00	5,385.45	---	5,181.75
60085	Bukadua Asena	17,305.00	15,415.83	12,696.58	1,1291.1
64380	Ashis Vikash Chand	14,889.00	9,685.87	9,382.83	4,858.12
60748	Tuione Aralai	16,763.00	8,880.95	---	4,516.99
63944	Singh Anish Praneel	14,889.00	7,260.38	6,374.05	7,520.57
53053	Volavola Isoa	16,763.00	2,317.21	5,852.38	9,136.72
61680	Rosova Silivia	16,763.00	11,130.12	9,939.69	8,922.00
62086	Ciusia Anareta Takoi	16,763.00	7,399.08	7,496.62	1,462.34
61277	Raikabula Maopa	16,763.00	6,474.29	5,855.34	4,239.99
60745	Wainiqolo Senibua	16,763.00	11,134.34	10,498.15	5,888.23
Total			251,511.86	184,767.97	160,983.82

Lautoka Hospital Lab Technicians

EDP No.	Name	Annual Salary \$	2008 \$	2007 \$	2006 \$
63761	Praneeta Singh	14,889.00	7,065.62	5,799.62	8,832.51
63798	Hemesh Chandra	14,889.00	6,865.46	5,850.65	7,283.97
90485	Jaishika Nand	14,889.00	6,418.54	---	---
90487	Shivanjali Sharma	14,889.00	1,855.02	---	---
62484	Ritambhana	14,889.00	5,605.78	4,911.57	5,707.15
64377	Nazeema Ifrana	14,889.00	9,007.67	6,914.22	5,726.68
64351	Luisa Bainisavu	14,889.00	3,018.22	156.02	253.5
63135	Arti Kaur	14,889.00	8,060.23	5,942.89	2,620.53
64861	Neelambra Devi	14,889.00	4,506.31	4,331.24	---
64557	Shofeen FN Begum	14,889.00	1,125.54	669.98	936.54
60286	Mereani Lewaravu	17,305.00	6,596.03	8,581.68	6,474.09
64873	Ashwini Vinod	14,889.00	9,331.82	5,833.34	---

EDP No.	Name	Annual Salary \$	2008 \$	2007 \$	2006 \$
61694	Josese Mailulu	16,763.00	12,760.16	11,318.36	10,039.05
90344	Muni Swatika Naicker	14,889.00	1,177.43	---	---
58316	Saimoni Vakameau	17,844.00	8,520.17	7,824.44	7,142.32
60744	Ulu S Volau	16,763.00	8,170.03	7,203.65	5,329.18
64111	Epeli Kurikitoga	14,889.00	6,779.08	6,965.5	7,925.38
Total			106,863.11	82,303.16	67,334.36

Labasa Hospital Lab Technicians

EDP No.	Name	Annual Salary \$	2008 \$	2007 \$	2006 \$
47480	Joana Maravou	17,844.00	8,045.85	---	236.94
49283	Balwant Singh	12,068.00	2,289.25	2,840.21	2,494.35
58831	Timoci Racolo	17,844.00	8,416.64	9,780.44	10,527.67
59288	Josese Limaono	17,305.00	10,747.70	15,872.54	11,396.06
60280	Narayan Sat	17,305.00	15,092.01	16,512.92	14,063.30
60287	Asaeli Tamanitoakula	17,305.00	6,892.88	11,291.68	2,622.19
61686	Cabe Sakiusa	16,763.00	6,764.11	11,039.26	7,768.59
62247	Vikash Lal Sharma	8,751.00	1,480.95	1,850.19	1,953.79
62501	Jeremaia Mataika	20,928.00	3,654.62	---	2,442.01
63132	Prasad Dharmend	14,889.00	15,009.61	18,658.60	12,836.86
63764	Ibrahim S Zaheen	14,889.00	15,261.37	14,895.80	13,888.82
63943	Rozeleen G Chand	14,889.00	4,588.56	4,994.19	10,682.01
63945	Prasad Vinita	14,889.00	10,883.29	8,432.38	5,465.93
64010	Deo Kaveesh	14,889.00	12,155.35	11,136.21	6,551.04
64045	Osea Waqa	14,889.00	12,331.26	12,648.95	6,700.75
64352	Pillay Camilla	14,889.00	9,010.86	8,971.68	2,632.29
64382	Mun Reddy	14,889.00	8,977.50	4,631.64	4,472.36
64440	Shalendra Sharma	20,547.00	4,862.73	3,324.93	4,786.31
90076	Narayan Melisha	14,889.00	8,542.55	1,925.12	---
Total			165,007.09	158,806.74	121,521.27

Appendix 19.13: Conditions of Ambulances Maintained by the Ministry

Station	Vehicle No.	Condition of Vehicle
Korovou Hospital	GK633	Body work done in December 2008. The vehicle is very old and unreliable. At times have to roll start. The ambulance is only used to transfer patient to CWM Hospital and is not used to serve the rural areas. There are no facilities for the provision of oxygen and medication. The staffs have to carry the portable oxygen machine.
Rakiraki Hospital	GN067	The vehicle was donated by the Korean Government and is about five years old. It serves whole of RA province and up to Wainibuka. The vehicle is used to transfer the patients to Lautoka and CWM hospital for the complex cases. In May 2009 the vehicle engine was replaced and not much reliance could be placed on the vehicle as it breakdowns occasionally.
	GL064	The vehicle has been boarded and is parked at the hospital compound.
Savusavu	GN 646	Newly donated by Japan Government in February 2008. Only one in good condition at the moment and it caters for whole of Savusavu, Natewa, Saqani, Rabi, Kioa and Buca Bay areas and also referral patients from Taveuni.
	DT224	According to the transport officer (Mere), registration changes to GN 224 but vehicle really old and not working. Vehicle was transferred from Virus Lab and

Station	Vehicle No.	Condition of Vehicle
		it's more than 10 years old.
	GN560	A minivan and used to transfer patient, only from Savusavu to Labasa as vehicle really old and uses lot of fuel and can only run in tar sealed road.
	GL803	The vehicle has been boarded and is parked at the hospital compound.
Sigatoka Hospital	GN 218	The hospital has been using a Land cruiser which was for their internal hospital usage to transfer patients to CWM or Lautoka as there are no other options available.
	GM 389	Vehicle almost 20 years old. Cannot be used for carrying patients for long distance and only used for very short runs. Consumes a lot of fuels.
CWM	GL842	The vehicle has been boarded and is parked at the hospital compound.
	GM005	Only ambulance working but no oxygen or monitor machine. About 17 years old. Used to transfer patients from A&E to the Wards only.
	GN 258	About 5 years old. Donated by Japan Government. However, vehicle is under repair at the moment at Marine Motors – about 2 weeks now. Gear box needs replacement. Uses a lot of fuel. At the moment there is no ambulance services provided by CWM and it is been outsourced to St Johns Association.
Lautoka Hospital	GM961	The vehicle is in use. It needs replacement and gets breakdown almost every week. Makes trip almost everyday to CWM and there is no stand by Ambulance to cover the area in worse off scenario.
	GL066	The vehicle has been boarded and is parked at the hospital compound.
Labasa Hospital	GM963	In working condition but occasionally breakdowns. Covers the whole Labasa area and sometimes as far as Savusavu. Above 6 years old.
	GM205	The vehicle has been boarded and is parked at the hospital compound.
	GN267	In working condition. Nissan van. However, vehicle almost 10 years old and can only run on tar sealed road and short distance.
	GK171	The vehicle has been boarded and is parked at the hospital compound.
Nausori Hospital	GN647	The vehicle was donated by the Japanese Government. Is in good running condition. Fully Equipped.
Rotuma	GN510	The vehicle was donated by the Japanese Government. Is in good running condition. Fully Equipped.
Nadi	GL724	Changed from ambulance to passenger carrying vehicle.
	GN219	The vehicle was donated by the Bula Festival Committee. It is fully equipped. The vehicle is in good running condition. However it is not sufficient to cater the population and difficulties are faced by the Hospital.
	GL272	The vehicle has been boarded and is parked at the hospital compound.
Tavua	GK681	The vehicle has been boarded and is parked at the hospital compound.
	GN594	The vehicle was donated by the Korean Government. Is in good running condition. Portable equipments are used from the wards.
Ba Mission Hospital	GK634	The vehicle has been boarded and is parked at the hospital compound.
	GN547	The vehicle was donated by the JICA. Is in good running condition. Portable equipments are used from the wards.
	GN548	The vehicle was donated by the JICA. Is in good running condition. Portable equipments are used from the wards.
Taveuni	GM776	This is the only ambulance in Taveuni. Been in used since 2001. The vehicle is in good working condition.
Northern Health Services	GL067	The vehicle has been boarded and is parked at Roqomate House.
	GL069	The vehicle has been boarded and is parked at Roqomate House.
	GN084	The vehicle has been boarded and is parked at Roqomate House. The vehicle was involved in an accident in August last year at Savusavu.
	GM564	The vehicle has been boarded and is parked at Roqomate House.
	GL068	The vehicle has been boarded and is parked at Roqomate House.
Nabouwalu	GN539	In working condition. Transferred to Nabouwalu Hospital in 2007. Not fully equipped.
Vunidawa	GM962	Transferred from CWM. Old and unreliable for long trips. Not fully equipped.
Navua	GM091	Transferred from Nausori Hospital. Old and unreliable for long trips. Not fully

Station	Vehicle No.	Condition of Vehicle
		equipped.

Appendix 19.14: Comparison of the Number of Ambulances to the Area Population

Station	No of Ambulance in Good or in Working Condition	Population of the Area ¹¹⁷
CWM	2	193,666
Lautoka	1	52,220
Nausori	1	47,604
Rotuma	1	2,002
Nadi	1	42,284
Tavua	1	7,968
Savusavu	2	7,034
Labasa	2	27,949
Nabouwalu	1	592
Rakiraki	1	29,464
Sigatoka	1	57,972
BA	2	18,526
Navua`	1	26,521
Vunidawa	1	16,197
Taveuni	1	15,231
Korovou	1	19,591

Appendix 19.15: Recipients Having Same Bank Account Number

Case	Recipient	Reference Number	Bank	Account Number	Amount \$	Comments
1	Peniasi Naitukunivalu	101-100634	CNB	6354272	60.00	Peniasi Naitukunivalu does not exist in the e-welfare system however the reference number 101-100634 belongs to Peni Talala who also receives \$82-00 via voucher book. Account number belongs to Paula and therefore he is deemed to be paid twice. Department's Comment's <i>This is an incorrect entry: Peniasi Naitukunivalu is registered under 104-100634 with the CNB account no. 6354272. Paula's case [104-105069] is now on hold for further review as well as Peni Talala's.</i>
	Paula Naitukunivalu	104-105069	CNB	6354272	60.00	
	Peni Talala	101-100634	Voucher Mode		82.00	

¹¹⁷ Source: The Fiji Island Bureau of Statistics

Case	Recipient	Reference Number	Bank	Account Number	Amount \$	Comments
2	Josese Natoqi	403-106120	ANZ	9384500	240.00	<p>Audit noted that the Account number 9384500 belongs to Josese Natoqi. He has been receiving both their allowance for July and Aug. Joseva was paid for the two months (july & Aug) allowance in September. However, no deduction was made from Natoqi.</p> <p>Department's Comment's</p> <p><i>Wrong entries: Josefa Natoqi [ref: 403-106120] has the ANZ A/C 9384500 at \$60.00 per month with J Lalaisu [403-106759] has ANZ A/C 9353322.</i></p>
	Joseva Lalaisu	403-106759	ANZ	9384500	120.00	
3	Shiu Shankar	301-101967	CNB	1998121	75.00	<p>Audit noted that ref number 301-101967 belongs to Shiu Shankar whose file has been closed. However, the bank account number belongs to Arun Lata, who receives double allowance.</p> <p>Department's Comment's</p> <p><i>Currently Shiu Shankar is receiving allowance at Sigatoka [\$60.00 per month] vide reference 501-105128. Arun Lata receives her allowance through CNB 9324685 which is closed last year. Asha Kiran has an ANZ A/C no. 9324685 at \$60.00 per month.</i></p>
	Arun Lata	301-103169	CNB	1998121	75.00	
	Asha Kiran	403-105705	ANZ	9324685	60.00	
4	Virisila Lewagau	501-100348	ANZ	07722009	60.00	<p>Audit noted that the Account number 07722009 belongs to Virisita Rabeca. The name Virisila Lewagau is bogus and reference number 501-100348 belongs to a different recipient. Virisita Rabeca is being paid twice.</p> <p>Department's Comment's</p> <p><i>There are no records of Virista Rabeca. Virisila Lewagua [501-101151] is being paid through voucher [PO Lautoka] for \$64.00 and not ANZ.</i></p>
	Virisita Rabeca	501-100393	ANZ	07722009	64.00	
5	Sarda Devi	502-102266	ANZ	0931562	60.00	Audit noted that Sarda Wati

Case	Recipient	Reference Number	Bank	Account Number	Amount \$	Comments
	Sarda Wati	502-102266	ANZ	0931562	60.00	<p>and Sarda Devi is the same person with the reference number 502-102266. She has been receiving double payments since June till December 08.</p> <p><u>Department's Comment's</u></p> <p><i>Sarda Devi aka Sarda Wati. This is one person and there is no double payment.</i></p>
6	Saimone Samunavanua	101-100704	CNB	5710776	204.00	<p>Audit noted that the name Samisoni Delaimati is bogus and does not exist in the e-welfare system. Payment all goes to Saimone's a/c, 5710776. Audit also checked that the \$204 paid in the month of Oct should be only \$136. He receives a monthly payment of \$68 and was missed out in September, thus October payout should be for two months only not three. He receives allowance till December and no recovery was made from him.</p> <p><u>Department's Comment's</u></p> <p><i>Saimoni Delaimati is paid \$74.00. Samisoni Samunavanua is unknown and we're not sure where Audit picked up the name.</i></p>
	Samisoni Delaimati	101-100704	CNB	5710776	204.00	
7	Santi Devi	401-106833	ANZ	03334677	60.00	<p>Audit noted that Santi Devi and Shanti Devi is the same person with reference number 401-106833. She has been receiving double payment from the month of October to December.</p> <p><u>Department's Comment's</u></p> <p><i>Shanti Devi aka Santi Devi is one person with the same reference number and the same bank account. There is no double payment.</i></p>
	Shanti Devi	401-106833	ANZ	03334677	60.00	
8	Gyatri Devi	401-106509	ANZ	09378198	60.00	<p>Audit noted that the account number 09378198 belongs to Gyatri Devi ref number 401-</p>
	Gyatri Devi	401-107184	ANZ	09378198	60.00	

Case	Recipient	Reference Number	Bank	Account Number	Amount \$	Comments
						106509. Thus, she has been receiving double payments for the months of Aug and Sept. <u>Department's Comment's</u> <i>Two different persons: Gyatri Devi f/n Jamuna Prasad [401-106509] has ANZ A/C 09378198 while Gyatri Devi f/n Deo Narayan [401-107184] receives allowance at the Post Office [voucher book].</i>

Appendix 19.16: Real and Bogus Name with Same Bank Account Number

BIO Data	Real Recipient	Bogus Recipient
Name	Tom Dunn	Thomas Isaac Dunn
Reference Number	101-100920	101-100920
Bank	CNB	CNB
Account Number	6267628	6267628
Amount Per Month	60.00	60.00

Department's Comment's

Only the names are different due to the use of existing bank account by Mr Dunn which at the time of creation did not require birth certificate. Every other detail is consistent.

BIO Data	Real Recipient	Bogus Recipient
Name	Laila Buksh	Laili Buksh
Reference Number	501-100439	501-100449
Bank	ANZ	ANZ
Account Number	9229271	9229271
Amount Per Month	60.00	60.00

Department's Comment's

Correct name is Laili Buksh and her reference number is 501-100439. The above noted reference number of 501-100449 may be a typing error of the auditors. Only one payment is done monthly to the account.

BIO Data	Real Recipient	Bogus Recipient
Name	Lanieta Maria Rosa	Lavenia Maria
Reference Number	SE	SE
Bank	ANZ	ANZ
Account Number	08141488	08141488
Amount Per Month	60.00	74.00

BIO Data	Real Recipient	Bogus Recipient
Name	Arun Lata	Arun Lata
Reference Number	301-103169	301-101967
Bank	CNB	CNB
Account Number	1998121	1998121

BIO Data	Real Recipient	Bogus Recipient
Amount Per Month	75.00	75.00

Department's Comment's

Arun Lata 301-103169 is now closed while reference no 301-101967 belongs to one Shiu Shankar f/n Bechu [now closed and transferred to Sigatoka]

BIO Data	Real Recipient	Bogus Recipient
Name	Adrea Namalo	Vilomena Senivuto
Reference Number	101-105318	101-105318
Bank	CNB	CNB
Account Number	5577674	5577674
Amount Per Month	100.00	100.00

Department's Comment's

Adrea Namalo's reference number is 101-105318 and Vilomena Senivuto's reference number is 101-107141. Adrea banks with ANZ and receives \$100.00. Vilomena banks with CNB and receives \$60.00 monthly.

BIO Data	Real Recipient	Bogus Recipient
Name	Seini Waqamaitoga	Semi Waqanitoga
Reference Number	101-107081	101-107081
Bank	CNB	CNB
Account Number	3866034	3866034
Amount Per Month	60.00	60.00

Department's Comment's

Only the names are different due to the use of existing bank account by Ms Waqanitoga which at the time of creation did not require birth certificate. Every other detail is consistent.

BIO Data	Real Recipient	Bogus Recipient
Name	Saimone Delaimati	Samisoni Samunavanua
Reference Number	101-100704	101-100704
Bank	CNB	CNB
Account Number	5710776	5710776
Amount Per Month	68.00	68.00

Department's Comment's

Mr Delaimati receives \$74.00 monthly and Samisoni Samunavanua is not known to the Department.

BIO Data	Real Recipient	Bogus Recipient
Name	Mereleki Saku	Mereleki Vutisa
Reference Number	403-106382	403-106382
Bank	ANZ	ANZ
Account Number	9324743	9324743
Amount Per Month	60.00	60.00

Department's Comment's

Only the names are different due to the use of existing bank account by Mr Samunavanua which at the time of creation did not require birth certificate. Every other detail is consistent.

BIO Data	Real Recipient	Bogus Recipient
Name	Virisila Lewagau	Virisita Rabeca
Reference Number	501-100347	501-100348
Bank	ANZ	ANZ
Account Number	07722009	07722009
Amount Per Month	60.00	60.00

Department's Comment's

Virisila Lewagua [501-101151] receives her allowance of \$64.00 per month through PO Lautoka. There are no existing records on Virisita Rabeca.

BIO Data	Real Recipient	Bogus Recipient
Name	Sarda Devi	Sarda Wati
Reference Number	503-103195	503-103198
Bank	ANZ	ANZ
Account Number	09391562	09391562
Amount Per Month	60.00	60.00

Department's Comment's

Sarda Devi aka Sarda Wati is the same person. Her reference number is 502-102266.

Appendix 19.17: Recipients with Same Reference Number

BIO Data	Recipient 1	Recipient 2
Name	Aisa Bibi	Atti Amma
Reference Number	401-103367	401-103367
Bank	ANZ	ANZ
Account Number	09248240	09227626
Amount Per Month	60.00	60.00

Department's Comment's

Aisa Bibi [401-103367] and Atti Amma [401-103680] are two different people with separate account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Emi Naio	Emosi Nasova
Reference Number	401-104694	401-104694
Bank	ANZ	ANZ
Account Number	09376112	09405351
Amount Per Month	70.00	60.00

Department's Comment's

Emi Naio [401-104694] and Emosi Nasova [[401-104550] are two different people with separate account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Zaura Bi	Zohra Bi F/N Shiek
Reference Number	401-106637	401-106637
Bank	ANZ	ANZ
Account Number	09375028	09253544
Amount Per Month	60.00	60.00

Department's Comment's

Zaura Bi [401-103952] and Zohra Bi f/n Shiek [401-106637] are two different people with separate account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Santi Devi	Shanti Devi
Reference Number	401-106833	401-106833
Bank	ANZ	ANZ
Account Number	03334677	03334677
Amount Per Month	60.00	60.00

Department's Comment's

Santi Devi aka Shanti Devi. Reference number, account number and amount per month are the same. Payment is done only once for the person.

BIO Data	Recipient 1	Recipient 2
Name	Kanta M Naicker	Vijendra Prasad
Reference Number	401-107832	401-107832
Bank	ANZ	ANZ
Account Number	07033198	09354246
Amount Per Month	69.00	75.00

Department's Comment's

Kanta M Naicker [401-107832] and Vijendra Prasad [401-107382] are two different people with separate reference numbers. The auditor's wrongly recorded the reference numbers which look very similar.

BIO Data	Recipient 1	Recipient 2
Name	Urmila Devi	Urmila Wati
Reference Number	401-107869	401-107869
Bank	ANZ	ANZ
Account Number	09219321	09306676
Amount Per Month	60.00	60.00

Department's Comment's

Urmila Devi [401-106893] and Urmila Wati [401-107869] are two different people with separate reference numbers and account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Kusum Kumari	Kusum Lata
Reference Number	402-105240	402-105240
Bank	ANZ	ANZ
Account Number	9242612	9296420
Amount Per Month	68.00	68.00

Department's Comment's

Kusum Kumari [402-105240] and Kusum Lata [403-105660] are two different recipients with different reference numbers and account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Litia Lewakadala	Litia Socake
Reference Number	402-105358	402-105358
Bank	ANZ	ANZ
Account Number	09225709	09215509

BIO Data	Recipient 1	Recipient 2
Amount Per Month	60.00	60.00

Department's Comment's

Litia Lewakadala [402-105358] and Litia Sorocake [402-105360] are two different recipients with different reference numbers and account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Kinisimere Ranadi	Veniana Vua
Reference Number	403-105957	403-105957
Bank	ANZ	ANZ
Account Number	09324845	09528805
Amount Per Month	60.00	60.00

Department's Comment's

Kinisimere Ranadi [403-105951] and Veniana Vua [403-105957] are two different recipients with different reference numbers and account numbers. The auditor's may have wrongly recorded the reference numbers.

BIO Data	Recipient 1	Recipient 2
Name	Faiyaz Mohd	Nazmin Nisha
Reference Number	501-104499	501-104499
Bank	ANZ	ANZ
Account Number	09620742	09253747
Amount Per Month	60.00	65.00

Department's Comment's

Nazmin Nisha [501-104499] is the wife of Faiyaz Mohammed [501-104499] Allowance is given under Faiyaz's name but banked under Nazmin Nisha's account with ANZ 09253747. There is no double payment.

BIO Data	Recipient 1	Recipient 2
Name	Losana Lewatu	Losana Tuituidaku
Reference Number	503-101468	503-101468
Bank	ANZ	ANZ
Account Number	09376430	09138995
Amount Per Month	60.00	60.00

Department's Comment's

Losana Lewatu [502-102234] of Nadi and Losana Tuituidaku [503-101468] of Sigatoka are two different recipients with different reference numbers and account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Taione Kotoyawa	Taiyone Kotoyawa
Reference Number	503-101504	503-101504
Bank	ANZ	ANZ
Account Number	09376931	09376951
Amount Per Month	60.00	60.00

Department's Comment's

The correct spelling is Taione Kotoyawa [503-101504] and bank a/c 9376951 NOT 9376931. This may be a case of mis-recording by the auditors.

BIO Data	Recipient 1	Recipient 2
Name	Merelesita Mataitini	Mereseini Mataitini
Reference Number	503-101525	503-101525
Bank	ANZ	ANZ
Account Number	09311542	09144830
Amount Per Month	60.00	60.00

Department's Comment's

Merelesita Mataitini [501-104833] and Mereseini Mataitini [503-101525] are two different recipients with different reference numbers and account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Salote Vakayavu	Grace Morell
Reference Number	101-107099	101-107099
Bank	ANZ	ANZ
Account Number	09195885	09270911
Amount Per Month	60.00	74.00

Department's Comment's

Wrong entries with two difference persons: Salote Vakayavu has 101-107099 and Grace Morell has 101-101739.

BIO Data	Recipient 1	Recipient 2
Name	Josaia Kitau	Joseph Kalepo
Reference Number	402-105299	402-105299
Bank	ANZ	ANZ
Account Number	08355183	09216375
Amount Per Month	60.00	60.00

Department's Comment's

Josaia Kitau [402-107645] and Joseph Kalepo [402-105299] are two different recipients with different reference numbers and account numbers.

BIO Data	Recipient 1	Recipient 2
Name	Marianne Premila	Naseem Begum
Reference Number	501-100207	501-100207
Bank	ANZ	ANZ
Account Number	05623180	05656819
Amount Per Month	60.00	90.00

Department's Comment's

Marianne Premila [501-104660] of Sigatoka and Naseem Begum [502-102585] of Nadi are two different recipients with different reference numbers and account numbers. Reference no. 501-100207 is under Johra Bibif/n Samsu Dean.

BIO Data	Recipient 1	Recipient 2
Name	Kaliova Ravouvou	Makereta Loma
Reference Number	501-100450	501-100450
Bank	ANZ	ANZ

BIO Data	Recipient 1	Recipient 2
Account Number	07969502	07963588
Amount Per Month	60.00	60.00

Department's Comment's

Kaliova Ravouvou [501-104836] and Makereta Loma [503-103240] are two different recipients with different reference numbers and account numbers. Reference 501-100450 belongs to Parbati f/n Nag Ratnam.

Appendix 19.18: Recipients Listed Twice in Bank Listings

Recipients	Reference Number	Month	Amount Overpaid \$	Bank	Account Number
Kelera Lewasalato	402-105324	August	60.00	ANZ	8860672
	402-105324	September	60.00	ANZ	8860672
<u>Department's Comment's</u>					
<i>Error was not detected and recipient was paid 1 month extra. Name will be deleted from June 2009 listing.</i>					
Laisa Bulakoso	401-104580	August	88.00	ANZ	9406489
	401-104580	September	88.00	ANZ	9406489
<u>Department's Comment's</u>					
<i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Aseña Lewaca	402-105417	September	60.00	ANZ	08088171
<u>Department's Comment's</u>					
<i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Eliki Sigakeidra	402-106921	September	86.00	ANZ	08255134
<u>Department's Comment's</u>					
<i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Leone Senuleba	402-106960	September	86.00	ANZ	09215361
<u>Department's Comment's</u>					
<i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Manjula Devi	402-105201	September	60.00	ANZ	09227911
<u>Department's Comment's</u>					
<i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Sher Singh	402-105074	September	60.00	ANZ	09254060
<u>Department's Comment's</u>					
<i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Kala Wati	402-104988	September	60.00	ANZ	09258985
<u>Department's Comment's</u>					
<i>The error was detected before submitting the list for Oct., 2008. Her name was included in the Jan., 2009 listing but with an invalid a/c number. The case was reviewed and terminated in Jan., 2009. A/C number was submitted from the bank [blue form].</i>					

Recipients	Reference Number	Month	Amount Overpaid \$	Bank	Account Number
Josefa Senameca	401-108727	September	60.00	ANZ	09308562
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Bulou Senimeli	403-106281	September	63.00	ANZ	09325260
Department's Comment's <i>Error was not detected and recipient was paid extra by one month. Name will be deleted from the June, 2009 listing.</i>					
Ram Sundar	401-108301	September	60.00	ANZ	09325373
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Subramani	402-105150	September	60.00	ANZ	09352704
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Joseva Lalaisu	403-106759	September	60.00	ANZ	09353322
Department's Comment's <i>Error was detected before submitting the Oct., 2008 listing. Recipient was paid until Oct., 2998 and name was included in the Nov., 2008 listing.</i>					
Roshni Devi	401-107924	September	180.00	ANZ	09375721
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Chandra Wati	401-103464	September	60.00	ANZ	09379555
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Ranjina Devi	401-107261	September	62.00	ANZ	09418677
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Timaleti Kuruilagi	402-105316	September	62.00	ANZ	09438194
Department's Comment's <i>Error was detected before submitting the list for October, 2008. Name was not included in the Oct – Dec, 2008 listing because double payment had covered up to December. Names were re-activated for January, 2009 and anomaly corrected.</i>					
Veniana Namomo	403-106395	October	60.00	ANZ	09236584
Department's Comment's <i>The name appears only once in every month's listing.</i>					
Vasiti Saqalu	401-107064	November	60.00	ANZ	7860844
Department's Comment's <i>The error was detected before submitting the Oct., 2008 listing. Recipient was overpaid until February, 2009. Case was reviewed and terminated in January, 2009.</i>					
Vasiti Salavuki	401-107756	November	60.00	ANZ	8152762
Department's Comment's <i>Error was not detected to date. Recipient was overpaid until Dec., 2009. The name is removed from the 2009 June listing. Recipient was called into the office and the overpayment and resulting action was explained to her.</i>					

Recipients	Reference Number	Month	Amount Overpaid \$	Bank	Account Number
Merelita Bereta	402-105404	November	60.00	ANZ	9246785
Department's Comment's					
<i>Error was not detected until now and the recipient has been paid until Dec., 2009. The name has been removed from the June – Dec 2009 listing.</i>					
Kelera Raliku	403-106439	November	60.00	ANZ	9384522
Department's Comment's					
<i>Error was not detected until now and the recipient has been paid until Dec., 2009. The name has been removed from the June – Dec 2009 listing.</i>					
Suliano Bogileka	401-106693	December	75.00	ANZ	9377230
Department's Comment's					
<i>Error was not detected until now and the recipient has been paid until Dec., 2009. The name has been removed from the June – Dec 2009 listing.</i>					
Santa Kumari	502-102296	December	60.00	ANZ	9385876
Anita Devi	502-103141	December	62.00	ANZ	09376882
Department's Comment's					
Correct Entries on Santa Kumari and Anita Devi. Both on the Nadi listing.					

