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## STANDING COMMITTEE ON PUBLIC ACCOUNTS

### Review of the Office of the Auditor General's 2015 Annual Report



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
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## CHAIRPERSON'S FOREWORD

I am pleased to present the review report of the 2015 Annual Report of the Office of the Auditor General. This report has been majority contributed by the previous Public Accounts Standing Committee (PAC) and further reviewed and endorsed by the current PAC. This is my third (3) report as Chairman of the Standing Committee on Public Accounts.

The Parliament of the Republic of Fiji's authority pursuant to Standing Order (SO) 110 (1) (c) and as directed by the Speaker of the House for the Standing Committee on Public Accounts is to examine and thereafter submit the findings to Parliament of the Office of the Auditor General 2015 Annual Report.

This report was thoroughly examined by the Committee in accordance with the directive by the Speaker of the House on Wednesday 13<sup>th</sup> February, 2019<sup>1</sup>.

The Committee also wish to acknowledge the members of the previous Public Accounts Committee for their tremendous effort namely Hon. Ashneel Sudhakar, Hon. Mohammed Dean, Hon. Alexander O'Connor, Hon. Aseri Radrodoro and Hon. Ratu Naiqama Lalabalavu.

I wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of the bipartisan report namely the Hon. Joseph Nitya Nand, Hon. Vijendra Prakash, Hon. Aseri Radrodoro, and Hon. Ratu Naiqama Lalabalavu.

On behalf of the Committee I also extend my appreciation to the Secretariat Staff, namely Ms. Priya Chand, Mr. Mateo Lagimiri and Mr. Savenaca Koro for their dedication and commitment.

I now commend this report to the Parliament.



.....  
**Hon. Alvick Avhikrit Maharaj**  
Chairperson

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<sup>1</sup> Hansard Report dated Wednesday 13 February 2019, p 426.

## LIST OF ACRONYMS

CSAs	-	Commercial Statutory Authorities
GCCs	-	Government Commercial Companies
FY	-	Financial Year
NDP	-	National Development Plan 2017
OAG	-	Office of the Auditor General
OBSEs	-	Off-budget State Entities
PAC	-	Public Accounts Standing Committee
PWC	-	PricewaterhouseCoopers
SO	-	Standing Orders of Parliament
SAIs	-	Supreme Audit Institutions
SDGs	-	Sustainable Development Goals

## **RECOMMENDATION:**

The Standing Committee on Public Accounts has conducted a review of the Annual Report of the Office of the Auditor General for 2015, and recommends that Parliament takes note of its report.

## **1.0 INTRODUCTION**

The 2015 Annual Report of the Office of the Auditor General was tabled in Parliament during the April 2018 sitting and referred to the Standing Committee on Public Accounts, for its scrutiny.

Standing Orders 109(2)(d) allows Standing Committee on Public Accounts to examine the accounts of the Government of the Republic of Fiji in respect of each financial year and reports of the Auditor-General, and for any other matter relating to the expenditures of the Government of the Republic of Fiji or any related body or activity (whether directly or indirectly) that the committee sees fit to review.

Standing Orders 110(1)(c) authorises the Standing Committee to *scrutinise the government departments with responsibility within the committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*

## **1.1 COMMITTEE PROCEDURE**

We met on the 14<sup>th</sup> of June, 2018 to conduct a review of the Office of the Auditor General's 2015 Annual Report. We heard evidence from the Office of the Auditor General which was represented by the following officials:

- Mr Ajay Nand, Auditor-General
- Mr Sairusi Dukuno, Deputy Auditor-General
- Mr Abele Saunivalu, Director of Audit
- Mr Dineshwar Prasad, Director of Audit
- Miss Finau Nagera, Director of Audit
- Mr Moshin Ali, Director of Audit

## **1.2 COMMITTEE MEMBERS**

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

- Hon. Alvick Maharaj (Chairperson)
- Hon. Joseph Nand (Deputy Chairperson)
- Hon. Vijendra Prakash (Member)

- Hon. Aseri Radrodro (Member)
- Hon. Ratu Naiqama Lalabalavu (Member)

The previous substantive members of the Standing Committee on Public Accounts in the 2014 - 2018 Parliament Term were:

- Hon. Ashneel Sudhakar (Chairperson)
- Hon. Mohammed Dean (Deputy Chairperson)
- Hon. Alexander O'Connor (Member)
- Hon. Aseri Radrodro (Member)
- Hon. Ratu Naiqama Lalabalavu (Member)

## **FUNCTIONS OF THE OFFICE**

The Standing Committee noted that pursuant to section 152 of the 2013 Fijian Constitution, the primary role of the Office is to inspect, audit and report to Parliament on the public accounts of the State, the control of public money and public property of the State; and on all transactions with or concerning public or public property of the State.

Moreover, the Audit Act 1969 further provides powers to the Auditor General to audit the whole of government financial statements and the reports of all entities of government. It also empowers the Auditor General to conduct performance audit of government entities to assure Parliament that the entities are achieving their objectives effectively and doing so economically and in compliance with all relevant legislation.

The Act also extends the scope of audits to include those that are specified under the Public Enterprise Act, comprising Government Commercial Companies (GCCs) and Commercial Statutory Authorities (CSAs); and agencies specified as Off-budget State Entities (OBSEs) in the Financial Management Act.

The Environment Management Act requires the Auditor General to conduct a sustainable development assurance audit on natural resources managed by ministries, departments, authorities or local authorities.

## ISSUES RAISED

### 1.0 ENVIRONMENTAL AUDITS

The Environment Management Act requires the Auditor General to conduct a sustainable development assurance audit on natural resources managed by ministries, departments, authorities or local authorities.

However, the Office informed that it has not carried out a lot of work in the area of environmental audits (eg. climate change audits, on extractive industries, etc.) and needs to build capacity to do so. However, the Committee noted that there was a provision in law through which OAG engages technical experts to assist it in carrying out environmental audits.

#### **RECOMMENDATION:**

The Committee recommends that the Office should be properly resourced to carry out specific environmental audits.

### 2.0 GENDER ANALYSIS

#### **RECOMMENDATION:**

The Committee recommends that future reports present a breakdown of gender equality and participation in the positions held within the organisation.

### 3.0 NON-SUBMISSION AND LATE SUBMISISON OF ACCOUNTS FOR AUDIT BY MUNICIPAL COUNCILS AND PROVINCIAL COUNCILS

The Committee noted that in the case of Provincial Councils, only 4 audits against the targeted 14 audits were completed in 2015 as a result of non-submission and late submission of accounts. The Committee observes that this has been a recurring issue over the years.

#### **RECOMMENDATION:**

The Committee recommends that OAG partner with Provincial Councils and Municipal Councils to train staff to prepare and submit quality draft annual financial statements for audit in a timely manner.



## SUSTAINABLE DEVELOPMENT GOALS

The UN Resolution acknowledges the role of Supreme Audit Institutions (SAIs) in fostering government accountability for the use of resources and their performance in achieving development goals under *Goal 16 – To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.*

The OAG plays a critical role in ensuring efficient and transparent use of resources and the achievement of target 16.6, which is to develop effective, accountable and transparent institutions at all levels.

Through the execution of its mandate, the OAG promotes efficient, accountable, effective and transparent public administration and governance in achieving nationally and internationally agreed development plans in the context of the post 2015 development agenda. The SAI can also be considered as an oversight mechanism under the review and monitoring frameworks, as evident in its inclusion in the NDP 2017.

The Committee notes that OAG is currently undertaking two cooperative performance audits related to SDGs.

## **GENDER ANALYSIS**

Gender is a critical dimension to parliamentary scrutiny. Standing Order 110 (2) requires committees to consider gender equality and ensure that the impact on both men and women is explored in all matters.

The policies that govern the operations of OAG have been developed so as not to discriminate between gender in the areas of recruitment, employment and compensation, career and professional development.

The OAG currently adopts the Open Merit Based Recruitment and Selection Policy developed by the Ministry of Civil Service.

## **CONCLUSION**

The Standing Committee on Public Accounts noted that the core function of the Office is to inspect, audit and report on the public accounts, property and transactions of the State as legislated in the 2013 Constitution and Audit Act 1969.

The review of the Office's 2015 Annual Reports was conducted in a very tactful and comprehensive manner. This would enable the committee for Public Accounts to submit to Parliament a more reliable and a cohesive report.

Recommendations are listed under every sub topic and questions and answers are listed on the Appendix column of this report.

# APPENDICES

# **APPENDIX 1: SUBMISSION BY OFFICE OF THE AUDITOR GENERAL**