



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Review Report on the Performance Audit of the Effectiveness of Institutional Framework for Preventing Corruption



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TABLE OF CONTENT

CHAIRPERSON'S FOREWORD	2
COMMITTEE MEMBERS	3
COMMITTEE PROCEDURE	4
COMMITTEE MEMBERS	4
RESOURCE PERSONS	5
BACKGROUND.....	6
COMMITTEE FINDINGS	7
1.0 Strengthening the National Anti-corruption Agency	7
1.1 Legal and Institutional framework for the national anti-corruption agency	7
1.2 Ethics and Values	8
1.3 Accountability and Transparency of the anti-corruption agency.....	8
1.4 Resourcing of the anti-corruption agency	9
1.5 Measures for preventing corruption	10
1.5.1 Anticorruption awareness trainings.....	11
1.5.2 Integrity assessment trainings	11
1.5.3 Anticorruption media promotion	12
1.5.4 Evaluation of effectiveness of awareness trainings	12
1.5.5 Preventing corruption partnership with other stakeholders	13
2.0 Sectoral Approach to fight corruption in the Education Sector in the disbursement of Free Education Grants.....	14
2.1 Appropriation framework of standards and regulation	14
2.1.1 Legislations and Constitutions	14
□ The right to education as enshrined under section 31 of the 2013 Constitution has prompted changes in the respective policies and procedures identified above in support	14
2.1.2 Policies and Procedures for the Free Education Grant.....	14
2.1.3 Coordination of Stakeholders & Absence of MoU	15
2.2 Transparency and Accountability.....	15
2.2.1 Awareness of the MoEHA 2017 School Management Handbook.....	16
2.3 Integrity.....	16
2.3.1 Code of Ethics	16
2.4 Sectoral approach to prevent corruption in the Free Education Grant	17
RECOMMENDATIONS	19
CONCLUSION.....	21
APPENDICES	24

CHAIRPERSON'S FOREWORD



I am pleased to present the Public Accounts Committee Report on the review made on the performance audit report of the Office of the Auditor-General on the effectiveness of the Institutional Framework for Preventing Corruption. The performance audit report look at the National Anti-Corruption Agency and a sector focus on Corruption Prevention for Free Education Grant.

Corruption is a critical obstacle to achieving the Sustainable Development Goals (SDGs) and the achievement of Fiji's National Development Plan (NDP). Corruption is a main barrier to development and diverts resources away from poverty eradication efforts and sustainable development. The Committee noted that **Goal 16 of the 2030 SDGs Agenda** recognizes that access to justice and building effective, accountable and inclusive institutions are essential to attain development outcome.

The objective of the audit was to assess the legal and institutional framework for fighting corruption and the extent to which FICAC has implemented its strategies towards corruption prevention in the Education sector. It also assesses the effectiveness of systems to prevent corruption in the disbursement of Free Education Grant by the Ministry of Education. The review made on the performance audit on the Effectiveness of the institutional framework for fighting corruption focuses on the preventive side of corruption.

It is important to note that the overall audit targeted the whole of government level on the adequacy of the legal and institutional framework that establishes the Fiji Independent Commission against Corruption (FICAC) and provides the powers and resources to effectively carry out its function. The audit review also looked at the corruption prevention activities undertaken by the FICAC.

In terms of the sector level, the audit focuses on corruption preventive mechanisms that were implemented by the Ministry of Education for the Free Education Grant (FEG). The audit scrutinized relevant activities that were recorded and documents that were maintained by the Ministry of Education with respect to Free Education Grant for the financial years 2014 to 2016/2017 and in 2018.

Overall, I would like to thank the Ministry of Education, Heritage and Arts and the Fiji Independent Commission against Corruption Officials for availing themselves to appear before the Committee hearing and not forgetting the support provided by the Office of the Auditor General.

At the outset, the Committee strongly encourages the two (2) respective agencies to take responsibility for the concerns raised in the audit report and work towards addressing them. The clarifications provided to the Committee revealed that the two Agencies have taken the Auditor-General's recommendations in a positive manner and are taking necessary actions accordingly.

At this juncture, I also wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of this bipartisan report namely Hon. Joseph Nand (Deputy Chairperson), Hon. Vijendra Prakash, Hon. Aseri Radrodro and Hon. Ratu Naiqama Lalabalavu.

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

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



.....
Hon. Alvick Maharaj
Chairperson

COMMITTEE MEMBERS

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



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



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



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



**Hon. Ratu Naiqama Lalabalavu
(Opposition Member)**



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

INTRODUCTION

The Audit Report on Effectiveness of Institutional Framework for Preventing Corruption was tabled in Parliament on Friday 22nd November 2019 and was referred to the Standing Committee on Public Accounts for its scrutiny.

Standing Order 109 (2) (d) mandates the Committee to “...– including examining 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. The committee must only examine how public money has been dealt with and accounted for in accordance with the written law and must not examine the merits of the underlying policy that informs public spending”.

This Report looks at the Report of the Auditor General on the Performance Audit of Effectiveness of Institutional Framework for Preventing Corruption, Parliamentary Paper 152 of 2019. Copies of the relevant Auditor-General’s reports are available for perusal on the Parliament website www.parliament.gov.fj under “Parliament Business”.

COMMITTEE PROCEDURE

The Committee reviewed the Audit Report in consultations with the Ministry of Education, Heritage and Arts and the Fiji Independent Commission against Corruption (FICAC). The Audit Report looked at the National Agency and a sector focus on Corruption Prevention for Free Education Grant.

The consultations were held in Parliament Committee room and it was opened to the public, media and was also aired live. The Committee hearing was televised on the Parliament channel on the Walesi platform and also through the Parliament social media platform.

COMMITTEE MEMBERS

The Standing Committee on Public Accounts comprises of the following Members of Parliament:

- 1) Hon. Alvick Maharaj, MP (Chairperson)
- 2) Hon. Joseph Nand, MP (Deputy Chairperson)
- 3) Hon. Vijendra Prakash MP (Member)
- 4) Hon. Aseri Radrodoro MP (Member)
- 5) Hon. Ratu Naiqama Lalabalavu MP (Member)

During the Standing Committee’s meetings, the following alternate membership arose pursuant to Standing Order 115 (5):

- 1) Hon. Mikaele Leawere MP
- 2) Hon. Ro Teimumu Kepa MP

RESOURCE PERSONS

The Committee together with the officials from the Office of the Auditor General conducted its public hearing within the Parliamentary precincts. The officials that assisted the Committee were:

OFFICE OF THE AUDITOR GENERAL:

- 1) Mr. Kuruwara Tunisalevu, Director Audit
- 2) Ms. Unaisi Namositava, Manager Audit
- 3) Ms. Maritina Cirikisuva, Auditor

MINISTRY OF EDUCATION, HERITAGE AND ARTS:

- 1) Ms Sukhendra Lal, Director Finance
- 2) Mr Timoci Bure, Head of National Education Service Delivery

FIJI INDEPENDENT COMMISSION AGAINST CORRUPTION:

- 1) Ms Arti Naidu, Principal Corruption Prevention Officer
- 2) Mr Amit Sami, Principal Corruption Prevention Officer

BACKGROUND

Corruption is a critical obstacle to achieving the Sustainable Development Goals (SDGs) and the National Development Plans. Corruption is a main barrier to development and diverts resources away from poverty eradication efforts and sustainable development.

The SDG 16 of the 2030 Agenda recognises that access to justice and building effective, accountable and inclusive institutions are essential to attaining sustainable development outcomes.

The Committee was advised that the purpose of the audit conducted by the Office of the Auditor General (OAG) as OAG is a member of the INTOSAI Working Group on the Fight against Corruption and Money Laundering which has identified that for an effective fight against corruption, a national overarching framework including appropriate legislations needs to be implemented and enforced by the national government.

It was noted that corruption affects all SDG related sectors, undermining development outcomes and severely compromising efforts to achieve health, education, gender equality, climate action, water and sanitation and other goals.

The cooperative performance audit on the Effectiveness of institutional framework for fighting corruption focuses on the preventive side of anti-corruption.

At the whole of government level, the audit focused on the adequacy of the legal and institutional framework that establishes the Fiji Independent Commission against Corruption (FICAC) and in providing its powers and resources to effectively carry out its function. The audit also reviewed reports looking at the corruption prevention activities undertaken by the FICAC.

At the sector level, the audit focused on corruption preventive mechanisms implemented by the Ministry of Education for the **Free Education Grant (FEG)**. The audit conducted scrutinised relevant records maintained by the Ministry of Education with respect to Free Education Grant for the years 2015 to 2017, up till 2018.

COMMITTEE FINDINGS

The Committee was informed that the primary objectives of the audit are:

- i. to assess the legal and institutional framework for fighting corruption and assess the extent to which FICAC has implemented strategies towards corruption prevention in the Education sector; and
- ii. to assess the effectiveness of systems to prevent corruption in the disbursement of Free Education Grant (FEG).

The audit was conducted into two folds and these are:

1. Strengthening the national anti-corruption agency; and
2. Sectoral approach to fight corruption in the Education Sector in the disbursement of Free Education Grants (FEG).

1.0 Strengthening the National Anti-corruption Agency

- The Committee noted that this topic discussed the key actions required of the State Parties to UNCAC under Article 6 to “ensure the existence of a body or bodies to prevent corruption (through knowledge dissemination and overseeing/coordinating preventive policies”.
- On this regard, the audit also seeks to determine whether the legal and institutional framework has adequate establishes the national anti-corruption agency in ensuring its independence, implementation of anti-corruption policies and dissemination of knowledge, provision of adequate resourcing; and having properly trained staff.

1.1 Legal and Institutional framework for the national anti-corruption agency

The Committee were advised of the following that:

- The legal and institutional framework for the establishment of the national anti-corruption agency is adequately provided for in the Fiji Independent Commission against Corruption (FICAC) Promulgation 2007 now enacted as the FICAC Act 2007.
- The amendments made to the Promulgation in 2009 have strengthened the FICAC's roles by extending the powers of the Commissioner to investigate any other suspected or alleged offences to which the Promulgation applies and also the power to prosecute cases in his own name. The amendments also bestow FICAC officers with powers and privileges of a police officer of the rank to which they hold in the Commission.
- The FICAC's independence has been strengthened through further amendments made to the Act in 2016 wherein the prior provision requiring the Commission to be subject to the orders and control of the President has been removed.
- Government provides the FICAC with adequate budgetary allocation for procurement of resourcing and for the delivery of its functions.

- The FICAC provides the Education sector with education and awareness on corruption, promotion of standards and enhance integrity, as well as partnering with the Ministry of Education in the development of curriculums.

1.2 Ethics and Values

- No officer or former officers of the Commission nor any member or former member of the staff of the Commission shall, without the written permission of the Commissioner, publish or disclose to any person the contents of any document, communication or information relating to or connected to the functions of the Commission which has come to his/her knowledge in the course of his/her duties¹.
- The Committee noted in the audit report that the FICAC has a Code of Conduct Policy. It provides a set of guidelines to support ethical behaviour and decision making for all its employees in relation to their conduct in the execution of their duties, in their interactions with each other and with others during the course of their duties, and in the usage of FICAC assets.
- Also highlighted that the FICAC Code of Conduct includes integrity, impartiality, discretion, courtesy and respect, diversity, conflict of interest, Use of FICAC logo, property, facilities and supplies, external activities, press relations, public statement and publications, non-disclosure and confidentiality, acceptance of gifts, decorations and honours, post FICAC employment, political activities, dress code, identification cards and stationery.

1.3 Accountability and Transparency of the anti-corruption agency

- The Commissioner is appointed by the President² and is required to submit a copy of the Commissioner's annual reports to the President and Minister within 3 months after the end of the financial year and subsequently tabled before Parliament³.
- The Committee noted that the Commission's annual reports for the years 2014 to 2017 have been submitted to the President and tabled in Parliament by the Minister responsible but was noted the Auditors concern that the audit was not provided access to documentary records of activities reported in the annual report.
- The Committee noted that the Office of the Auditor General upon its request to commence the field conduct of this audit, two of the officers from FICAC visited the Office of the Auditor-General on 24th April 2018 to discuss the dilemma in regards to the interpretation of the FICAC Act preferring that an interpretation or approval to conduct the audit be obtained first from the Solicitor General's office. It was noted that this was FICAC's stance despite discussions made between the two agencies on the powers of the Auditor General under the 2013 constitution which confers further functions and powers including the conduct of Performance audit.

¹ FICAC Act 2007 Section 13G

² FICAC Act 2007 section 5

³ FICAC Act 2007 section 17 (1)

- It was further highlighted that the discussions with a designated officer from the Solicitor Generals' office echoed the independence of FICAC and their ability to make their own decision. Furthermore, given the complication, she agreed on actions taken so far by audit to use published and publicly available information. Legal advice sought by the OAG provided that ***“save for the application of Section 16(as amended) of FICAC Act 2007, there is no provision of law within the FICAC Act 2007 that in any way precludes or bars the Auditor General from conducting a performance audit or its function under section 152 of the Constitution.”***
- Thus, the OAG informed that they were unable to conduct due audit procedures and processes at the FICAC premises except to use publically available information about FICAC in this audit report. Audit verification could not be carried out as access to records was denied given the dilemma in interpreting the amendment to the FICAC Act in 2016. The willingness of officers to assist was compounded by this dilemma. The table below illustrates amendments to the FICAC legislation which restricts OAG access to the financial records and expenditure records that were maintained by the Finance Department of FICAC.

FICAC Act amendment in regards to the audit

Legislation	Change
Fiji Independent Commission Against Corruption Promulgation 2007 Section 16 (1)	16. - (1) The Auditor General shall at any time be entitled to have access to all accounts maintained under section 15(1) and he may require such information and explanation thereon as he thinks fit.
Fiji Independent Commission Against Corruption Amendment Act 2016 Section 16 (1)	The Auditor-General may, at any time, have access to the financial and expenditure accounts maintained by the finance department of the Commission.

1.4 Resourcing of the anti-corruption agency

- Pursuant to the FICAC Act 2007 Section 4, the expenses of the Commission shall always be met by the Government.
- The Committee was informed that FICAC is provided an annual budget of \$8.5million since 2014 to fund its functions as implemented through its five departments, namely the Investigations, Complaints, Corruption Prevention, Legal, and Finance & Administration Departments.
- Section 8 of the Act empowers the Commissioner to appoint officers to assist the Commissioner in the performance of his or her functions. The Deputy Commissioner appoints, removes and disciplines all staff, as well as determining all matters pertaining to the employment of all staff in the Commission. The Commission has a total staff establishment of 152 as at July 2017 comprising of specialists in their various fields such as investigators, complaints officers, legal officers, paralegals, public relations officers, human resource administrators, accountants, etc.
- The staff strength totalled 132 in 2014 and has increased to 152 by 2016. The Annual report shows notable increases in the staff establishments for the Investigation Unit and the Corruption Prevention Unit. Females comprise at least 46% of the staff establishment. Details provided in the following table:

Staff resources and gender composition - 2014 – 2017

Units	2014		2015		2016		2016/2017	
Executive	1		1		1		1	
Finance & Administration	4		5		31		32	
Legal	23		26		13		16	
Investigation	13		14		75		71	
Complaints	63		76		10		11	
Corruption Prevention	10		10		22		21	
Total staffing	132		144		152		152	
Gender composition	2014		2015		2016		2016/2017	
	No.	%	No.	%	No.	%	No.	%
Females	62	47	72	47	71	47	70	46
Males	70	53	82	53	81	53	82	54
Total	132	100	154	100	152	100	152	100

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

- The Committee noted from the audit that the auditors reviewed FICAC's annual reports that the Commission sends its staff to attend meetings and for work attachments, as well as provides opportunities for training for its staff both locally and abroad in all areas of its operations. The trainings and work attachments are related to knowledge/skills enhancement and professional development on anti-corruption.
- The details of trainings provided for by the Commission's employees over the 4 years from 2014 to 2017 and below are the attendances ranging from one officer per training to as many as 137 for other sessions.

Trainings provided from 2014 – 2017

Training provided	2014		2015		2016 (6 months)		2016/2017	
	No. of training		No. of training		No. of training		No. of training	
Internal	31		6		10			
Local	33		74		10		71	
Overseas	18		13		6		15	
Total	82		93		26		86	

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

1.5 Measures for preventing corruption

- The Committee noted that under Section 12 of the FICAC Act 2007 the Commissioner, through the Deputy Commissioner and/or his officers, is responsible for:
 - examining the practices and procedures of Government departments and public bodies, in order to facilitate the discovery of corrupt practices and to secure the revision of methods of

- work or procedures which, in the opinion of the Commissioner, may be conducive to corrupt practices;
- instruct, advise and assist any person, on the latter's request, on ways in which corrupt practices may be eliminated by such person;
- advise heads of Government departments or of public bodies of changes in practices or procedures compatible with the effective discharge of the duties of such departments or public bodies which the Commissioner thinks necessary to reduce the likelihood of the occurrence of corrupt practices; and
- educate the public against the evils of corruption; and enlist and foster public support in combating corruption.
- The Committee was informed that the FICAC fulfils the above responsibilities by providing public education and awareness creation; offering advisory services; enhancing integrity in the public service; promoting standards and best practices; building partnerships and coalitions against corruption and undertaking research on corruption and governance related issues. These responsibilities are executed by the *Corruption Prevention Department* (CPD) as the proactive arm of the FICAC. The functions of the proactive arm are implemented through the Research & Advocacy Section (RAS), the Monitoring & Evaluation section (MES), and the Production Section.
- Also noted from the audit that due to limitations in accessing source documents from the FICAC, the auditors ascertained the following activities undertaken by the Corruption Prevention Department in creating awareness of corruption through review of its annual reports.

1.5.1 Anticorruption awareness trainings

- The Committee noted that the Research & Advocacy Section (R&AS) facilitates and conducts anti-corruption awareness sessions/workshops. In its Annual Reports, the Commission reported an increase in the numbers of awareness sessions/workshops directed at public sector entities (*i.e. government ministries, departments, statutory bodies and state owned entities*), private sector bodies (*companies, entities*), schools (*primary, secondary and tertiary institutes*) and communities in all three divisions around the country.

Summary of awareness sessions/workshops conducted from 2014 - 2017

Type of audience	2014	2015	2016(7 months)	2016/2017
Public sector	74	108	48	144
Private sector		3	11	63
Schools	8	25	44	111
Communities/	26	107	87	117
Government road shows		4	1	
Total no. of awareness sessions conducted		247	191	435

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

1.5.2 Integrity assessment trainings

- The Committee noted in the audit report that the Integrity Assessment Section (IAS) carries out integrity assessment workshops using the Corruption Impact Assessment tool. The workshops are aimed at assisting organisations in identifying gaps that are more prone to corruptive situations and offer advice on ways in which corrupt practices can be eliminated. Based on figures

disclosed in the Commission's Annual Reports, the IAS has conducted 10 integrity assessments with six institutions in 2015, 16 workshops with six institutions in 2016, and four in 2017. Six similar trainings then referred to as Corruption Prevention Risk Reduction (CP2R) Workshops were conducted for three entities in 2014.

- Further in 2017, the Commission's Corruption Prevention Department was introduced trainings on *Corporate Integrity Pledge, Anti-bribery training, Ethics and values awareness trainings, and Good Kiddo Program*. It also organized a *Young Leaders Seminar* in conjunction with the International Anticorruption Day. The Committee was informed that a breakdown of trainings provided for the newly introduced training as extracted from the Annual Reports are listed below.

Summary of trainings that were introduced in 2017

Training particulars	2016/2017
Corporate integrity pledge training	17
Anti-bribery training	7
Ethics and values awareness training	7
Good Kiddo program	76
Young leaders seminar	1
Total no. of trainings conducted	108

Source: FICAC Annual report 2016/2017

1.5.3 Anticorruption media promotion

- The Committee was informed that Corruption awareness is also promoted through the Graphics Section's function. Apart from attending to media queries, this section is also responsible for releasing press statements, and organising advertising and publications of all relevant materials and commercials for the Commission. Statistics reflected in FICAC's Annual Reports reported awareness campaigns conducted by the Commission over the 3 years started from 2015 to 2017 as reflected in the table below.

Awareness campaigns held from 2014 – 2017

Publications	2015	2016 (upto 31/7/16)	2016/2017
Talk back shows	9	6	11
Media/ TV advertisement/cinema advertisement	28	196	52
News articles/public relations	424	140	368
Billboard advertisements		3	
Website	18		
Total	479	345	431

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

1.5.4 Evaluation of effectiveness of awareness trainings

- The Committee was informed that Monitoring & Evaluation Section (MES) evaluates the effectiveness of the Department's efforts and activities aimed at preventing corruption. The MES evaluates feedback received from participants, institutions and communities to gauge the effectiveness of the Department's awareness and training programs.

- Also highlighted that the comparison of the Commission's annual reports done for 2016 and 2016/2017 reflected an increase in feedback received from participants attending trainings from 437 in 2016 to 1,201 in the FY 2016/2017. In 2017 the MES received evaluation feedback on trainings conducted in 2016 from 1,201 participants from 86 institutes. Evaluation feedback for trainings conducted in 2015 was received from 437 participants from 32 institutions.
- The OAG advised that they were not able to examine the evaluation done by the MES or to conduct an evaluation of feedbacks received from participants as reported given the limitation in accessing the records.

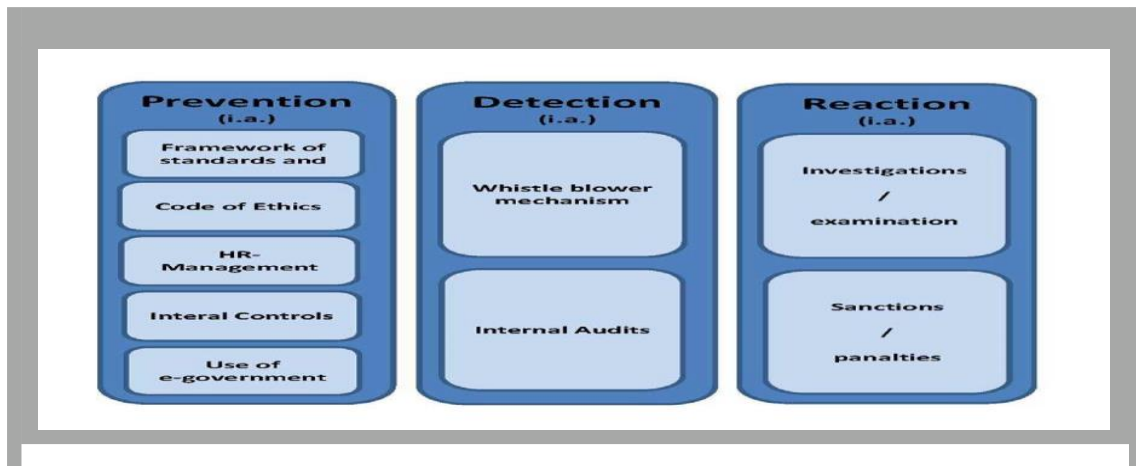
1.5.5 Preventing corruption partnership with other stakeholders

- The Committee noted that the FICAC in partnership with the Ministry of Education have designed and developed the National Anti-Corruption Curriculum (NACC) and its implementation to all primary and secondary schools in Fiji is yet to be fully implemented during the time of this report. The objective of the curriculum is to shape children's personality that will drive them to live a life free of corruption.
- Also noted that apart from the collaboration and arrangements with the Ministry of Education, OAG were unable to access information on corruption prevention engagements with the other 'pillars' that also play a major role in the national institutional framework for preventing crime. The National Integrity System has been promoted by major stakeholders including World Bank publications depicting a necessary effectiveness on all pillars for the national institutional framework to prevent corruption.

2.0 Sectoral Approach to fight corruption in the Education Sector in the disbursement of Free Education Grants

- This report focused on the corruption prevention strategies that were implemented by the Ministry of Education in the administration of its Free Education Grant using the requirements as listed in the first column of the following chart.

Organisational Anti-corruption Strategies –Source: ISSA 5700 Section 2.5 Anti-Corruption Program



2.1 Appropriation framework of standards and regulation

2.1.1 Legislations and Constitutions

- The right to education as enshrined under section 31 of the 2013 Constitution has prompted changes in the respective policies and procedures identified above in support of the right to education. However, it is noted that the Education Act is yet to capture these changes through the review of the draft Education Act in consultation with the Solicitor General's office.
- The Committee endorses the MoEHA should pursue the review of its legislation currently with the Solicitor General's office to enable its immediate enforcement.

2.1.2 Policies and Procedures for the Free Education Grant

- The Free Education Grant has been one of the government initiatives that has been in existence since 2014 in the which, the MoEHA had received one of the largest allocations of any Fijian budget to deliver the Government's introduction of free tuition for the nation's primary and secondary students.
- However, there have been numerous changes over the years and the table below demonstrates these changes that the MoEHA has undertaken since inception of the Initiative in 2014 when it was known as Tuition Fee Free Grant (TFFG).
- Also noted that over the course of three years from 2014, the school management handbook to guide school boards and management on the utilisation of free education grants have been amended twice in 2016 and lately in 2017.

- Furthermore, the Fiji Education Management Information System (FEMIS) policy was also recently established and approved on 04 September 2017. The main purpose of the FEMIS policy was to provide a framework that will enhance and facilitate effective, efficient and timely data collection from schools and reporting to the MoEHA and all local and International stakeholders. This policy is also designed to ensure that the collection and entry of data is undertaken with care and accurate reporting to support education based management, administration and activities and to continually raise the quality of data held in the FEMIS database.
- The School Management 2017 Handbook clearly documents the processes and internal control mechanisms within the Ministry for administering the FEG.
- Timely reviews of the Handbooks ensures that current practices are authenticated as it is properly documented and information disseminated to the schools through the Education Officers. Also, compliance gaps will be bridged as a result of schools being aware of the new changes.

2.1.3 Coordination of Stakeholders & Absence of MoU

- The effectiveness of a school depends on the quality of the partnerships between its various individuals and groups. Showing mutual respect and understanding of the roles and responsibilities of all stakeholders is a key to developing and maintaining quality partnerships.
- Even though the role of each stakeholder captured above is equally important, the School Management Committee plays a vital role in the school community. It provides a link between parents, the local community, the school staff and the Ministry of Education. In this regard, the Act does provide specific insights on the requirements for School Management Committees. The Principal, Head Teacher or Early Childhood Education (ECE) Teacher (for standalone ECE) is the representative of the Ministry at the school, and he/she must have a shared understanding with the school management committee. It captures the roles and responsibilities of each key stakeholder, while the following paragraphs raises issues on the perceived coordination arrangements that should exist.
- All School Management receiving the TFFG grant shall sign a Memorandum of Understanding (hereinafter referred to as MOU) with MoEHA which reflect the parties' collaborative agreements of how the TFFG allocation shall be processed and outlines the important responsibilities for the use of TFFG. A copy of the signed MOU shall be kept safely in the school and the original must be kept by MoEHA with the Finance Section and must be produced upon demand. The MoEHA Finance Audit Team shall be in charge of keeping and maintaining a record of all Memorandums signed with the Schools on the usage of TFFG grants.

2.2 Transparency and Accountability

- The education sector has proved to be a useful entry point for anticorruption education, be it delivered through projects or embedded in curricula. Measuring the results of such interventions presents methodological challenges, although it is understood that they are part of longer-term strategies to change both perceptions and behaviour.
- The main education areas to which these approaches are applied are education finance, school grants, school management, school personnel behaviour, and procurement. Local and appropriate tools, such as financial reporting on school notice boards can inform local oversight.

2.2.1 Awareness of the MoEHA 2017 School Management Handbook

- The Ministry of Education Heritage and Arts (MoEHA) Handbook 2017, provides clear boundaries for school management to work in collaboration with the School Heads, and the Ministry of Education in the development of young children in our beloved Fiji.
- The district education office is the most immediate line of communication between school management and the Ministry of Education. All communications including correspondence, submissions, applications and statistical returns are forwarded to the district education office.
- We noted that all schools asserted to have a copy of the MOEHA School Management Handbook which was confirmed by the school Bursars and Principals during our school visits. As reflected in Figure 4.4 below, of the 41 schools visited, audit verified availability of the school handbook at 36 (or 88%) of the schools visited whilst the remaining 5 (12%) schools visited did not have handbooks.

2.3 Integrity

2.3.1 Code of Ethics

- A code of ethics is a set of conventional principles binding any person, from managerial to official level, to properly behave in accordance with stakeholders' expectation. Code of ethics is a moral guidance to be obeyed by all management and staff in an organization to maintain individual and organization credibility. At the minimum, a code of ethics should set out:
 - Core values of an institution, covering integrity, independence, objectivity, impartiality, confidentiality, and competence.
 - Obligation of the institution's management and employees to meet the core values.
 - Codes of conduct for education personnel can be effective if the teachers and community members are involved in developing them, the information and expectations in the codes are widely available to and understood by all stakeholders, and effective mechanisms are in place to enforce the codes.⁶⁶
- Effective corruption prevention could be achieved if all management and staff understand the institution's code of conduct properly. A good understanding of an institution's code of ethics can be achieved through a regular and effective dissemination of the code to every level of the organization.

2.3.2 Code of Ethics for the School Management Committee

- The term management committee refers to a group of people who are elected or appointed by the trustees as per school constitution. They are responsible for registering the school, ensuring the school is following government regulations and have the responsibility for the running of the school. The School Manager and the School Head work in partnership within their areas of responsibility to ensure the smooth running of the school. The head of the school is the academic authority and representative of the Ministry of Education.

- *Where the committee is also the controlling authority (Faith Based), a method of electing the committee is required. This needs to be described in the school constitution. All committees are required to have the following.*
 - *Every school is required to have a school manager and a treasurer who may be appointed by the trustees or and ex-officio manager – this is someone who obtains the position automatically because of another person, for example, for a Catholic church the Father becomes the manager for the school. The school constitution will determine how the Manager is selected. Every school must have a manager. One Manager cannot cover multiple schools as this is a requirement for receipt of the Free Education Grant (FEG).*
 - *The treasure may be elected, appointed by the trustees or an ex-officio Treasurer-this is someone who obtains the position automatically because of another position, for example, for a catholic church the Father becomes the manager for the school. The school constitution will determine how the Treasurer is selected. Every school must have a Treasurer. One Treasurer cannot cover multiple schools, this is a requirement for receipt of the FEG.*
- *Other members of the School Management Committee may include–*
 - *Chairperson or a President;*
 - *School Head – does not have voting rights in the committee and is the advisor of the committee;*
 - *Secretary;*
 - *Treasurer (They can support the bursar or the finance team); and*
 - *Other representatives.*
 - *Each member and their representative must be described in the school constitution.⁷¹*
- *Other points to consider–*
 - *Teachers cannot be Trustees, School Managers, or members of the committee if they are working in the school.*
 - *If Signatories of the school account are related, or they are related to the school head the conflict must be declared to the PSE whilst registering as a manager.*
 - *Every school must have a Manager and Treasurer. One manager and/or Treasurer cannot cover multiple schools. Every school must have a separate bank account.*
- *The appointment and roles of the school committee are clearly communicated in the 2017 Handbook. However, we noted that the School Committees Code of Ethics is not covered in the handbook.*

2.4 Sectoral approach to prevent corruption in the Free Education Grant

Listed below are some of the areas that the Ministry needs to review and strengthen while administering the Free Education Grant.

- 1) There is a lack of review of legislation to incorporate changes
- 2) Policies in place as a mechanism to prevent corruption is inadequate
- 3) Absence of Memorandum of Understanding (MOUs) between all relevant stakeholders
- 4) There is lack of awareness on the requirements of the Ministry of Education, Heritage and Arts 2017 handbook to schools
- 5) Absence of code of ethics amongst the school management committee
- 6) Lack of monitoring noted for the utilization of FEG in schools

- 7) Lack of clarity on responsibilities for monitoring
- 8) Lack of proper monitoring plan for the scheme
- 9) Non-maintenance of proper records by some schools
- 10) Absence of competitive quotations for purchases over \$1,000
- 11) Preparation of cash cheques and pre signing of blank cheques were noted in some of the schools visited
- 12) Delays in submission of Annual Financial Report (AFR) and minutes of Annual General Meetings (AGM) by some schools visited
- 13) Lack of guidance on expectations from the auditor's report
- 14) Non-registration of School Managers appointed with FEMIS
- 15) Non-compliance with requirements of the 2017 Ministry of Education, Heritage and Arts handbook
- 16) Differences noted between the FEG incomes declared against the FEG payout
- 17) Errors noted in the FEG calculation and payout
- 18) Absence of appropriate documentation on the recruitment and selection process
- 19) Lack of job rotation policy

RECOMMENDATIONS

The Committee after reviewed the audit report and consulted the Ministry of Education, Heritage and Arts and the Fiji Independent Commission against Corruption (FICAC), agreed to the following recommendations:

1. **The District/Division Offices should ensure that awareness trainings are consistently being carried out at the schools and also ensure that any awareness plans developed are stringently adhered to.**
2. **The Ministry should ensure that the Code of Ethics for the School Committee is incorporated in the school handbook.**
3. **The Ministry should ensure that all schools have an updated constitution and ensure that it is approved by the Ministry.**
4. **The Ministry should deliberate on formalising the monitoring framework as soon as practicable.**
5. **The Ministry should ensure that the monitoring responsibility is appropriately communicated to the respective section to ensure that they are aware of their roles and responsibilities.**
6. **The Director Finance should appropriately plan and budget the monitoring and evaluation activities for the unit. This will ensure that targets are more realistic.**
7. **The Ministry should ensure that the anomalies highlighted in the cash book, 6 Allocation Files, Payment Vouchers and Acquittal Record Sheets by the Auditors are discussed with respective school Bursars and reminder issued on the importance of adherence to the Financial Management Handbook 2017.**
8. **The Ministry should ensure that competitive quotations are obtained for the purchases of goods and services and necessary actions should be taken for non-compliance.**
9. **The Ministry should advise schools to comply with internal controls, refrain from issuing pre-signed cheques, and to ensure that payments are only effected after goods and services have been obtained supported by adequate documentation.**
10. **The Management Committee together with school heads should ensure that annual financial report and the annual general meeting's minutes are prepared on time and submitted to the district officer's office and to the Ministry's Head Quarter.**
11. **The Ministry should communicate its expectations clearly to the school grant recipients regarding reporting requirements to ensure compliance with requirements of the Handbook and should also finalise the rollout of the new program and guideline.**
12. **The Finance Team should ensure that all Free Education Grant income declared on the Annual Financial Report are properly scrutinised and reconciled with the payments made by the Ministry prior to the release of the grant.**

13. **The Ministry should raise awareness with the District/Divisional Education Officers and at HQ on the importance of timely monitoring and abidance with requirements on 'cut off dates for school inputs into Free Education Management Information System.**
14. **The Finance Team should ensure that the Free Education Grants are calculated accurately, verified properly and checked prior to the payment.**
15. **The Ministry should ensure that all documentation in relation to recruitment of staff is made available upon request for audit.**

CONCLUSION

The Fiji Independent Commission Against Corruption (FICAC) need to continue and increase its publicity at all FEG stakeholders, this in terms of awareness to the Ministry of Education Officers based in the Districts/Division and schools in the rural and maritime zones.

The Ministry of Education, Heritage and Arts need to review and improve its 2017 School Management Handbook and incorporate all relevant provisions that will strengthen and meet the expectation/demand on the ground in relation to the gaps found.

The Ministry need to also strengthen its internal control systems & monitoring throughout its district offices and schools, as these will promote accountability and transparency in the administration of the FEG by the various school boards and management. Also, proper documentation and record management systems is important for all stakeholders and the Ministry need to facilitate and assist schools on this matter.

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



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



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



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



.....
Hon. Ratu Naiqama Lalabalavu
(Member)



.....
Hon. Aseri Radrodro
(Member)

APPENDICES

APPENDIX 1:
PUBLIC ACCOUNTS COMMITTEE QUESTIONS

PUBLIC ACCOUNTS COMMITTEE QUESTIONS

Key findings

Legal and Institutional framework for the national anti-corruption agency

The FICAC provides the Education sector with education and awareness on corruption, promoting standards and enhancing integrity, as well as partnering with the Ministry of the development of curriculums.

Question:

- (i) Has any assessment been carried out by the Commission on the effectiveness of activities undertaken (i.e. preventative approaches towards corruption) with the Education sector and what are the outcomes?
- (ii) Does FICAC intend to make or adapt any policies any standards the fight against Corruption in Fiji?
- (iii) What is FICAC policy on engagement with other anti-corruption bodies in Fiji? Are there any working arrangements in place? On what circumstances does FICAC meet with the other stakeholders identified in the report as pillars of integrity?
- (iv) Is the current system or framework to combat corruption sufficient to combat corruption in Fiji?
- (v) How do you assess or have you assessed the progress in combating corruption in Fiji?
- (vi) Are there any international reports on the progress of fight against corruption available?

Sectoral approach to prevent corruption in the Free Education Grant

Lack of review of legislation to incorporate changes.

Question: What is the status on review of the Education Act?

Lack of awareness on guideline (MoEHA 2017 Handbook), commitments (MoU, Code of Ethics), clarity of roles and requirements (school management committee), monitoring over the administration of the free grant, and deviations from required processes.

Question:

- (i) How does the Ministry intend to address the weaknesses identified pertaining to the management of the organizational resource (i.e. grant) from challenges of misappropriation by administrators of grants? i.e. will the Ministry ensure that codes of conduct are in place for all education personnel involved in the administration of FEG?
- (ii) What efforts have been made to provide legal framework and administrative practice to promote transparency and accountability in the administration of FEG?
- (iii) How does the Ministry intend to strengthen its control, oversight and sanctioning role over the schools/ educational institutions?

(iv) What actions are being undertaken by the Ministry to improve effectiveness of education services in maintaining data? [e.g. data on enrolment. This data can be used not only as a basis for distributing grants but can also be used to provide statistics on minorities and disadvantaged groups]

APPENDIX 2:
**Witnesses, Verbatim Reports and Published Written
Evidence**

Witnesses & Verbatim Reports

There were two witnesses that had appeared before the Public Accounts Committee. Copies of the verbatim reports can be viewed from the Parliament website on the link provided: <http://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/>

Published Written Evidence

Copies of the written evidences and supplementary responses from the 2 stakeholders namely the Ministry of Education, Heritage & Arts and the Fiji Independent Commission Against Corruption is accessible on the Parliament website on the link provided: <http://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/>