



OFFICE of the AUDITOR GENERAL
Republic of Fiji

AUDIT REPORT ON COMPLIANCE AUDITS RELATINNG TO COVID-19 RESPONSE



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO.270 OF 2020



OFFICE of the AUDITOR GENERAL
Republic of Fiji

VISION

**Promoting public sector accountability
and sustainability through our audits**

MISSION

To provide independent value adding
audit services

To provide an environment where
our people can excel

VALUES

RESPECT

We uphold respect
in our relationships.

INTEGRITY

We are ethical, fair and
honest in our duties.

**INDEPENDENT
& OBJECTIVE**

We work independently
and report objectively.

COMPETENCE

We deliver to the best
of our abilities and to
the highest standard of
professional conduct.

TRANSPARENCY

Our processes
are transparent.

CONFIDENTIALITY

We maintain audit
related information
confidential.

PROFESSIONAL FRAMEWORK

International Standards for Supreme Audit Institutions

International Standards on Auditing

LEGAL FRAMEWORK

2013 CONSTITUTION OF THE
REPUBLIC OF FIJI

AUDIT
ACT 1969

ENVIRONMENT
MANAGEMENT ACT

NDP AND OTHER
LEGISLATION

Location : Level 8, Ratu Sukuna House
2-10 MacArthur Street
Suva, Fiji

Postal : P O BOX 2214, Government Buildings

Address : Suva, Fiji

Telephone : (679) 330 9032

Email : info@auditorgeneral.gov.fj

Website : www.oag.gov.fj

OFFICE OF THE AUDITOR-GENERAL

Promoting Public Sector Accountability and Sustainability Through Our Audits



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



File: 102

02 December 2020

The Honorable Ratu Epeli Nailatikau
Speaker of the Parliament of the Republic of Fiji
Parliament Complex
Gladstone Road
SUVA

Dear Sir

AUDIT REPORT ON COMPLIANCE AUDITS RELATING TO COVID-19 RESPONSE

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Compliance Audits related to COVID-19 response.

A copy of the report has been submitted to the Minister for Economy who as required under section 152(14) of the Constitution shall lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

Encl.



The Office of the Auditor-General – Republic of Fiji

The Office of the Auditor-General is established as an Independent Office by the Constitution of Republic of Fiji. Its roles and responsibilities include determining whether the operations or activities of entities are being performed effectively, economically and efficiently and in compliance with all relevant legislation. These audits are carried out by the Auditor-General on behalf of Parliament.

At least once every year, the Auditor General must report to Parliament on the audits conducted and on *other significant matters* the Auditor-General wishes to bring to the attention of Parliament.

The Office of the Auditor-General notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high-quality reporting including recommendations which are not only value-adding to the entity subject to audit but its customers, the general public as well.

INTRODUCTION

In response to this COVID-19 pandemic, Fiji Government announced various measures to counter its impact and also to stimulate growth in the economy. A budget of \$100 million was committed by Government for Covid-19 responses as announced in the COVID-19 Response Budget as presented by the Honorable Minister for Economy to Parliament for the year ending 31 July 2020.

For the seven compliance audits conducted, the audit objectives were mainly to assess specific control procedures implemented on the different COVID-19 response programmes. Audits were carried out to assess compliance to the controls and processes for each programme.

This report provides the first series of audit reports on programmes relating to Government's COVID- 19 response. Early audits into the COVID-19 response programmes is also meant to identify control issues that may arise with the programmes so that they can be addressed before other phases are rolled out.

Audit and Our key focus

I performed compliance audit on the following:

1. Management of Agricultural Assistance: Farm Response Package, Home Gardening Seed Packages and Improvement of farm genetic attributes;
2. Management of COVID-19 Aid;
3. Review of processes for Reserve Bank of Fiji Micro Small and Medium Entities Credit Guarantee Scheme;
4. Review of Processes for Assistance for Small and Medium Entities Concessional Loans;
5. Covid-19 Preparedness and Response Action Plan of Ministry of Health & Medical Services;
6. Compliance Audit on the Procurement, Recording and Distribution of Medical Equipment and Personal Protective Equipment related to COVID response for the Ministry of Health and Medical Services; and
7. Informal Sector and Formal Sectors Unemployment Benefits Financial Assistance

The details of each of the above-mentioned programme is discussed in the respective section of this report.

The objectives and scope of the audits are specified in each report.

Status of the Audits

As at 30 November 2020, I have completed 5 of the 7 audits I intended to complete. The non-completion of the 2 audits was generally due to the following:

MSME Concessional Loan

Management comments to draft management letter for the audit is yet to be received.

Government Unemployment Benefit for Employees Affected in Formal and Informal Sectors

While the audit of the Informal Sector financial assistance and Phase 1 of the Formal sector assistance audit has been completed, the accurate datasets (Phase 2) were received on 26/11/2020.

Report

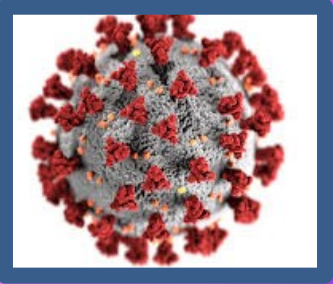
This report contains the audit findings, recommendation in areas where further improvements can be made. The comments of the auditee have also been incorporated in the report.

The issues discussed in this report require the prompt action by the respective Ministries and public entities to improve their compliance with the controls, processes and systems to promote good governance. On the same note, I would like to acknowledge the efforts already made by some of these the agencies to improve compliance.

I would also like to acknowledge the assistance and cooperation rendered to my Office by the agencies throughout the audit process. In addition, the work carried out by various agencies to assist and support the people affected with this pandemic is commendable. My Office is committed to work with the agencies to strengthen transparency and good governance in public sector.

AUDIT REPORTS ON:

- 1. IMPLEMENTATION OF COVID-19 PREPAREDNESS AND RESPONSE PLAN**
- 2. PROCUREMENT OF BIO-MEDICAL EQUIPMENT AND QUARANTINE ACCOMODATION AND STOCK MANAGEMENT FOR COVID-19**
- 3. MANAGEMENT OF COVID-19 AID**
- 4. MICRO, SMALL & MEDIUM ENTERPRISES CREDIT GUARANTEE SCHEME**
- 5. MANAGEMENT OF AGRICULTURAL ASSISTANCE-FARM RESPONSE PACKAGE, HOME GARDENING SEED PACKAGES AND IMPROVEMENT OF FARM GENETIC**



**“IMPLEMENTATION OF COVID-19 PREPAREDNESS AND
RESPONSE PLAN”**

Table of Contents

Acronyms.....	2
Executive Summary	3
1. Introduction	5
2. Subject Matter and Scope	6
3. Audit Objective.....	6
4. Audit Criteria	7
5. Methodology.....	8
6. Findings.....	9
6.1 Level 1 Response Assessment Outcome.....	9
6.2 Level 2 Response Assessment Outcome	13
6.3 Expenditure Framework Methodology.....	15
7. Conclusion	21
Appendix 1 – Detailed Status for each Level Actions	22
Appendix 2 – Criteria for Question 1 – Level 1 Actions	26
Appendix 3 – Criteria for Question 2 – Level 2 Actions.....	29
Appendix 4 –Level 3 Plan Response Actions by Pillars	31

Acronyms

Abbreviation	Meaning
ADB	Asian Development Bank
COO	Chief Operating Officer
CRMT	COVID Risk Management Team
COVID 19	Coronavirus Disease 2019 or 2019 novel coronavirus or 2019-nCoV
DFAT	Department of Foreign Affairs and Trade (of Australia)
DORT	Divisional Response Team
DMO	Divisional Medical Officer
EH	Environmental Health
EOC	Emergency Operations Centre
EU	European Union
FCDC	Fiji Centre for Disease Control
FMIS	Financial Management Information System
FPBS	Fiji Pharmaceutical and Biomedical Services
HEADMAP	Health Emergencies and Disaster Management Action Plan
IATA	International Air Transport Association
COVID -19 IEC	COVID – 19 Information Education Communication
ILI	Influenza Like Illnesses
IMT	Incident Management Team
IPC	Infection Prevention and Control
IPOE	International Points of Entry
ISSAI	International Standards for Supreme Institutions
MCTTT	Ministry of Commerce, Trade, Tourism and Transport
MoHMS	Ministry of Health and Medical Services
MS	Medical Services
NHT	National Health Taskforce
OPS	Operations
PPE	Protective Personal Equipment
RCTT	Rapid Contact Tracing Teams
PRP	Preparedness Response Plan
SDMO	Senior Divisional Medical Officer
SMS	Short Message Services
SOP	Standard Operating Procedures
SPC	South Pacific Commission
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund
WB	World Bank
WHO	World Health Organisation

Executive Summary

The OAG carried out an audit on the *Implementation of the Fiji Coronavirus (COVID- 19) Preparedness and Response Plan*.

The primary objective of our audit was to obtain sufficient and appropriate evidence to form a conclusion on whether the Ministry of Health and Medical Services (MoHMS) through the Incident Management Team(IMT) had implemented response actions in accordance with *Fiji Coronavirus (COVID-19) Preparedness and Response Plan for the Level 1 and Level 2 Actions*. The Level 1 of the plan signifies that there are no potential or confirmed cases of COVID – 19 in Fiji and Level 2 is when there are cases of imported potential or confirmed COVID – 19 in Fiji without any local transmission but the Level 3 is when there are cases of potential or confirmed COVID – 19 associated with local transmission of COVID – 19 in Fiji which is rampant. **Table 1.1** below shows provides the 3 different level of response actions.

Table 1.1: Response Actions Different Levels

Levels	Action	Colour
Level 1	No potential or confirmed cases of COVID – 19 in Fiji	Yellow
Level 2	Case/cases of imported potential or confirmed COVID – 19 in Fiji (no local transmission)	Amber
Level 3	Case/cases of potential or confirmed COVID – 19 associated with local transmission of COVID – 19 in Fiji	Red

We examined actions implemented prior to the occurrence of COVID-19 case in Fiji and response actions implemented following the identification of COVID-19.

Our audit noted that the Ministry through the responsible lead had implemented the response actions with varying status of implementation as summarized in **Table 1.2** below and **Appendix 1** provides the detailed status for each level actions.

Table 1.2: Status of implementation of response actions according to Alert levels 1,2 & 3

Status	Level 1	Level 2	Level 3	Total
Completed	24	5	1	30
Delayed	1			1
Need Info²	6	6		12
On track	17	9	8	34
To be discussed³	1		4	5
Not Applicable⁴			9	9
	49	20	22	91

There is a total of 69 actions for the Level 1 and Level 2 of the Response Action Plan applied as part of its remodeling approach in identifying and mitigating the risks identified as part of managing the COVID-19 pandemic within Fiji.

¹ **Appendix 4** provides graphical presentation

² **Need Info** – a desire to locate and obtain information to satisfy a conscious or unconscious action level need

³ **To be discussed** – to consider or examine by argument, especially to explore solutions against an action level

⁴ **Not Applicable** – information on a certain action level is not provided because it does not apply or answer is not available

Significant findings identified from the audit include the following:

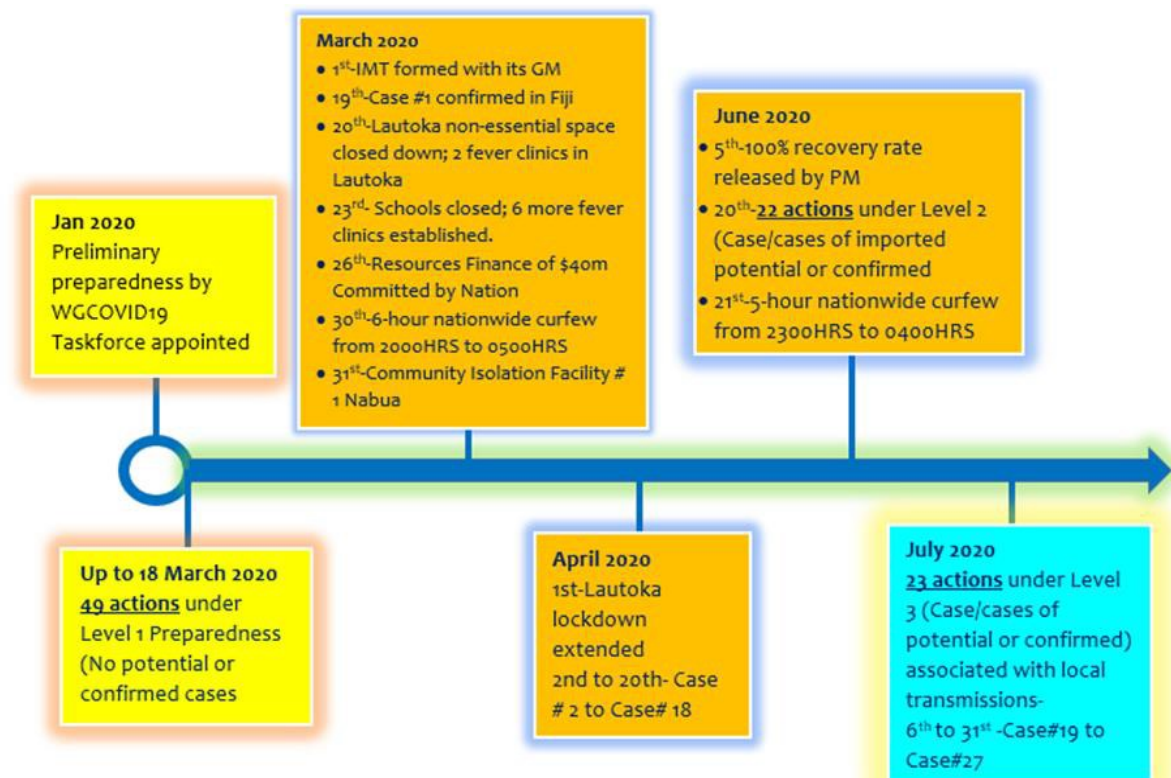
- The Fiji COVID-19 Preparedness and response Plan was not submitted for Cabinet's endorsement;
- Detailed breakdown of budget approved was not provided against which actual expenditure could be compared;
- Expenditure was incurred mostly for operational expenditure such as overtime; and
- Expenditure was not recorded using a reporting framework that enhances the monitoring and evaluation of the plan.

1. Introduction

The Fiji MoHMS has three existing plans that specifically outline how the health sector responds to health emergencies, outbreaks and disasters. These include the *National Health Emergencies and Disaster Management Action Plan (HEADMAP)*, the *Fiji National Influenza Pandemic Plan* and the *National Communicable Diseases Surveillance and Outbreak Response Plan*. Fiji has also drafted an Ebola Response plan in 2015. Many of the lessons for preparedness and response to this latest disease COVID-19 evolved from these plans.

The MoHMS through its *National Health Disaster and Emergency Management Unit* is responsible for improving health emergency and disaster preparedness and crisis management through policy development and planning, risk management, logistic support, education and training, and command, control and coordination. The Unit is expected inter alia to strengthen and establish the MoHMS emergency responses and build capacities and effective disaster response at all levels of health service delivery, establish and reinforce emergency health coordination including rapid health assessments; and assist in the establishment and maintenance of health and nutritional surveillance, producing health intelligence and managing information for health advocacy. Within the early months following the initial global outbreak of COVID-19, the designated working groups/taskforce/committees of the MoHMS developed and reviewed strategies to strengthen preparedness in Fiji to swiftly detect and respond to the potential incursion of COVID-19.

Figure 2.1 – Timeline for COVID-19 Response Plan



We conducted this audit on *Implementation of the Fiji COVID-19 Emergency and Response Plan* because of the potential risk of incursion of the COVID-19 pandemic in Fiji and its detrimental effects.

We conducted this Compliance Audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 4000 and ISSAI 100 which requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

2. Subject Matter and Scope

The subject matter for this audit is on the implementation of the *Fiji Coronavirus (COVID-19) Preparedness and Response Plan*. The purpose of the Plan is to strengthen preparedness in Fiji to rapidly detect and respond to the potential introduction of COVID-19, financially resourced with budgetary allocation of \$40m on 27 March 2020.

An assessment of this area would determine whether initially identified 69 actions identified has been taken and the status of each of the actions as at 30 July 2020.

3. Audit Objective

The objective of this compliance audit is to ascertain whether the MoHMS has complied with implemented response actions in accordance with *Fiji Coronavirus (COVID-19) Preparedness and Response Plan*.

The audit seeks to determine:

- i. whether the Ministry (through the responsible leads) has delivered response actions in accordance with the *Fiji Coronavirus (COVID-19) Preparedness and Response Plan*; and
- ii. Whether expenditure framework methodology exists to better understand the financial impact of the response plan.

Our audit was conducted because of the potential risk of non-implementation of the actions under *Fiji COVID-19 Emergency and Response Plan* in readiness for the incursion of the COVID-19 pandemic to Fiji. Considering the occurrence of the pandemic closer to Fiji's shores, there is an expectation from legislators as well as the public that measures would be put in place by the health sector to protect Fiji citizens from this pandemic that has had fatal impacts globally.

Our audit looked at response actions undertaken by the respective responsible leads in preparation for the onset of COVID-19 in Fiji and following the identification of COVID 19 cases in Fiji which are funded from the Ministry's initial budget and the supplementary budget for COVID-19 response. The audit focused on actions taken and transactions incurred from January to 31 July 2020.

4. Audit Criteria

The Plan will be implemented as soon as it is endorsed by the Permanent Secretary for MOHMS and subsequently fast tracked with the other stakeholders and then submitted for Cabinet information. All current preparedness activities that have or have not been factored will be included with the endorsement of this plan. The Governance structure for the implementation of this Plan recognizes the (IMT) as the body responsible for the implementation of daily operational functions of the COVID-19 Preparedness and Response Plan alongside the Taskforce as the policy level advisory body⁵.

Criteria against which to assess compliance is drawn from section 4.0 of the *Fiji COVID-19 Emergency and Preparedness Plan* relating to *Preparedness and Response Actions and Responsibilities*. The criteria are listed in **Appendix 2** and below in **Table 4.1** are the different versions of the plans with the date of changes.

Table 4.1: Plan Version Status Detail

Plan Status	Version Number	Date Created/Update
Plan – 1 st	1	Feb 10 th
Plan – 2 nd	2	Feb 17 th
Plan – 3 rd	3	March 17 th
Plan – 4 th	4	April 17 th
Plan – 5 th	5	May 20 th
Plan – 6 th	6	Aug 13 th

⁵ Section 3.10 Fiji Coronavirus (COVID-19) Preparedness and Response Plan V4 & V6 and Section 3.12 of the Fiji Coronavirus (COVID-19) Preparedness and Response Plan V5

5. Methodology

Our audit is based on the verification and reviews of the Preparedness Response Action Plan, IMT progressive response tracker and including the Joint Taskforce and IMT meeting minutes, analysis of acquittal reports until 31/07/20 and interviews with the Acting Chief Operations Officer (COO) -IMT, General Manager IMT together with the dedicated COVID – 19 finance personnel of the MoHMS.

The audit scope included the first five versions of the preparedness and response plan which included the *Preliminary Preparedness Action Plan for 2019-nCov*.

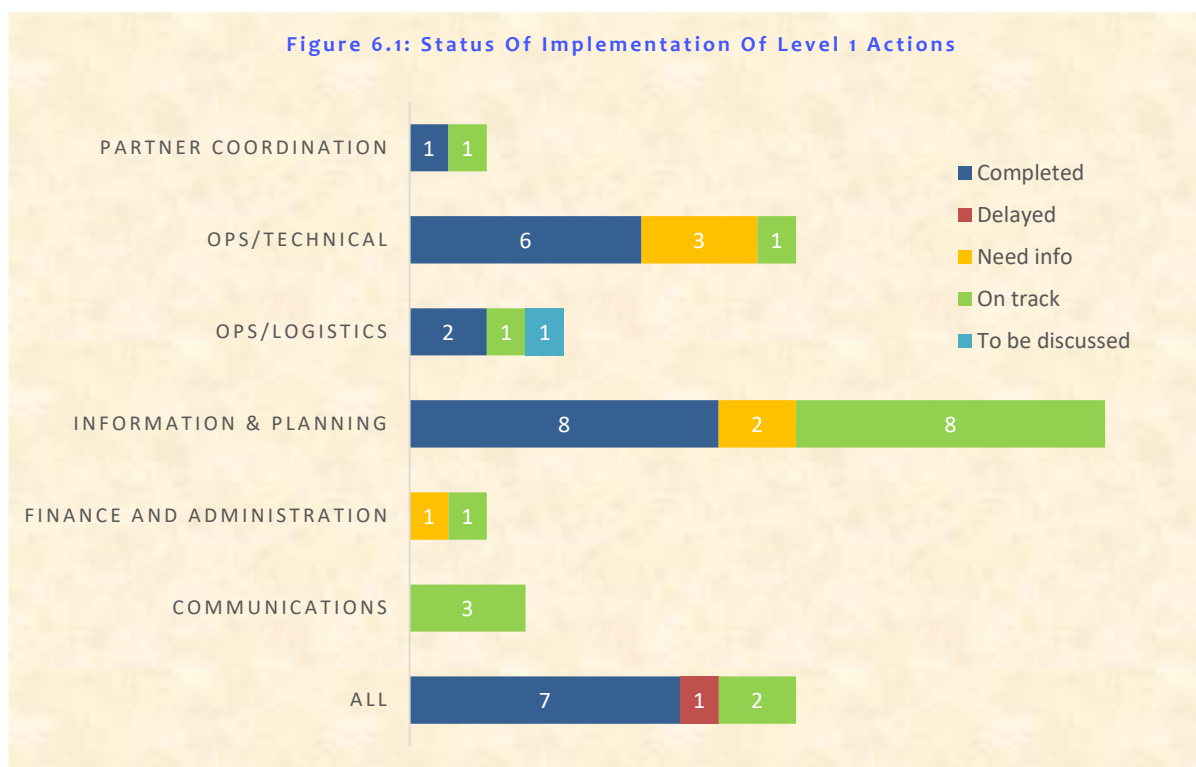
6. Findings

6.1 Level 1 Response Assessment Outcome

Question No 1

Have assigned leads implemented response actions in accordance with requirements of the COVID-19 Preparedness and Response Plan prior to the identification of COVID-19 cases in Fiji (Level 1)?

The Fiji COVID-19 Preparedness and Response Plan identifies 49 Level 1 actions to be undertaken by the responsible lead agencies for the 7 components of the Plan. With the exception of one action that was delayed, the Ministry through the responsible leads had implemented all actions with different status of implementation as at 31/7/2020 as illustrated in **Figure 6.1** below.



Forty-nine percent of actions implemented under level 1 were completed as at 31/7/20 with 35% on track, 12% requiring more information, 2% needing further discussions and 2% were delayed.

Details of activities implemented for each component in the Plan are outlined below:

i. Command and Coordination

The Ministry established a National Health Taskforce (NHT) for Coronavirus in January 2020. The Taskforce is chaired by the Chief Medical Advisor and provides advice to the Permanent Secretary for MOHMS on policy matters.

An (IMT) was later formed to be responsible for the implementation of the daily operational functions of the COVID-19 PRP and is led by the Chief Operating Officer (COO). The IMT has developed and implemented the *Fiji Coronavirus Preparedness and Response Plan*. We were provided with five versions of the *Fiji COVID-19*.

Preparedness and Response Plan which were outcomes of progressive reviews by the IMT. Timelines in which response actions identified were to be completed were included up till the 4th version of the Plan. Although the 3rd, 4th and 5th versions of the Plan that were provided for audit were not signed by the Permanent Secretary, the response actions for the preparedness for COVID-19 identified therein have been implemented. While the *Fiji COVID-19 PRP* was not presented to the Cabinet, the plan has been widely discussed with key cabinet ministers and is publicly available on the ministry's website.

Key multi sectoral coordination structures and mechanisms have been established and is evident in the composition of members of the Taskforce and in the IMT governance structure ⁶. Engagement of other ministries through liaison officers and development partners (including different UN agencies, EU, World Bank, ADB, DFAT, New Zealand and private sector agencies) has been influential in driving and supporting the overall resourcing of the response. Daily situation reports with detailed information on cases, clusters, key activities and Taskforce briefings provide important platforms for monitoring the response, addressing emerging issues and clarifying priorities and needed adaptations

While efforts are still being directed towards the development of SOPs to implement the *Fiji COVID-19 PRP* and alignment of other Government COVID-19 action plans to the PRP, Contingency plans have been developed for the Lautoka and Labasa Hospitals in anticipation of a surge in COVID patients.

ii. Surveillance, Risk Assessment and Response

The IMT has a clear surveillance program on influenza like illnesses (ILI). Data on virological surveillance and travellers' surveillance are updated weekly and discussed at the Taskforce meetings. Health intelligence information is shared amongst partners and stakeholders as is evident in the use of WHO situational reports at the weekly meetings.

Surveillance and contact tracing systems and structures have been established across all levels; community and international points of entry. With the assistance of trained military personnel, a country wide mobile screening exercise was undertaken to identify cases and minimize transmission. Altogether 859,882 individuals were screened by the Mobile screening teams across all divisions⁷.

The IMT also tracks local and international travel restrictions daily⁸.

iii. Laboratory

Staff were trained in sample collection and adherence to key IPC protocols. The Fiji Centre for Disease Control (FCDC) provided training for compliance to laboratory procedures for health facilities having new medical officers like the Nadi, Makoi, and Wainibokasi health facilities. IATA training was also provided for laboratory workers handling packing and shipping of biological samples.

⁶ Fiji Incident Management Team for COVID 19 Terms of Reference Section 4.0

⁷ COVID 19 Acquittal Final Report February – July 2020

⁸ COVID Situation Report Next Steps Draft

The FCDC Laboratory used lab protocols following WHO guidelines and referred diagnostic tests to Melbourne Australia. Fiji started Laboratory testing of COVID-19 on 28th January 2020. Nineteen samples obtained between 28th January and 12th March 2020 were shipped to the WHO collaborating centre reference laboratory in Melbourne Australia for testing.

The Melbourne Lab continues to provide guidance and technical advice to the local experts at the FCDC.

iv. Clinical Management and Infection Prevention and Control

Operational support for the detection and management of both potential and confirmed cases of COVID-19 was established through designation of isolation centres, training of clinical staff in COVID-19 related IPCs and designation of cars/ambulances for transportation of COVID-19 patients.

The Ministry of Health initially designated four hospitals as isolation facilities and 13 community isolation facilities to manage cases believed to have been COVID-19. The bed capacity at the four hospitals is 128 beds and 273 beds for the 13 community isolation facilities. To ensure facilities were appropriately equipped and staffed, facility preparedness assessments for COVID-19 were conducted through application of a standard tool (in 7 facilities) and walk-throughs by staff in the other facilities.

The Ministry also established forty fever clinics around the country to screen for potential cases of COVID-19. It also developed clinical management guidelines for use by clinical staff. Protective Personal Equipment (PPE) and home care kits procured through government and through the support from other non- government partners have been provided to health facilities and isolation centres.

v. Public Health Intervention including Points of Entry Measures

Three response activities undertaken and completed by the Ministry include health messages provided to inbound travellers, thermal screenings present at the international points of entry, and identification of quarantine facilities. Health messages are disseminated through inflight messages, health custom forms, and airport banners.

Public health emergency protocols and accompanying trainings were provided at points of entry to support management of transmissions. Workplace preparedness guidance were approved and distributed by IMT and are being reviewed by government departments.

The COVID-19 related Occupational Health and Safety measures, Infection Control and Disinfection guidelines and the training of Government, Non-Government and Public/private Sectors, and the carrying out of routine audits at health facilities are still outstanding.

vi. Risk Communication

The IMT through a multi-sectoral risk communication subgroup has led an ongoing campaign on messaging within the Ministry and to the public on ongoing developments regarding COVID-19 and provides information on preventive and health seeking behaviours to raise awareness and secure public support. Tailored messages have been disseminated through various modes of communication such as media releases, daily advisories, Ministerial briefings, information flyers, SMS, radio and television advertisements. A national hotline was also established to respond to community queries and concerns. There are no outstanding tasks from Phase 1 under Risk Communications. This work is ongoing and continues into Phase 2.

vii. Logistics, Procurement & Supply Management

The IMT through the FPBS and with support from partners established mechanisms for forecasting, procurement and distribution of PPEs and other medical supplies to meet both the current demand and surge arising from COVID-19.

Transport and vehicle demands were facilitated with the support of other ministries. Ministries managed transport and vehicle demand as needed to help ensure distribution of supplies across the country. Supplies procured are delivered to primary and tertiary level facilities, fever clinics and community isolation facilities during Phase 1 and still carries forward into phase 2 of the Plan.

The General Manager Incidence Management Team and the Principal Accountant agreed with the findings on the non – endorsement of the *Fiji COVID-19 Preparedness and Response Plan*.

Prior to the budget announcement for the COVID – 19 stimulus packages in March 2020, the ministry’s Taskforce was already working on the preliminaries of the plan for the Level 1 since December 2019 using the MoHMS operating budget when the Wuhan announcement was publicly made for China’s first case.

The MoHMS representatives agreed on the submission to be made to Cabinet to formally sanction the use of the *Fiji COVID-19 Preparedness and Response Plan*.

A cabinet paper on a the COVID-19 response was drafted by the Taskforce (not the role of IMT) and taken to Cabinet. This paper was returned, and a separate paper was presented which was in regard to Economic Recovery Framework. This paper was not from MoHMS⁹.

The National Disaster Management Office had submitted a Cabinet Paper for declaration of COVID-19 as a Natural Disaster in April 2020 during which Fiji had been affected by Tropical Cyclone Harold. This paper was by NDMO and the declaration was for 30 days. The MoHMS has submitted numerous amendments to the Public Health Act as part of COVID-19 measures and these were gazette¹⁰.

Recommendation

The Ministry should formally submit the Fiji COVID-19 Preparedness and Response Plan to Cabinet for information and action which may be considered appropriate.

⁹ Management comments receipted on 06/11/20

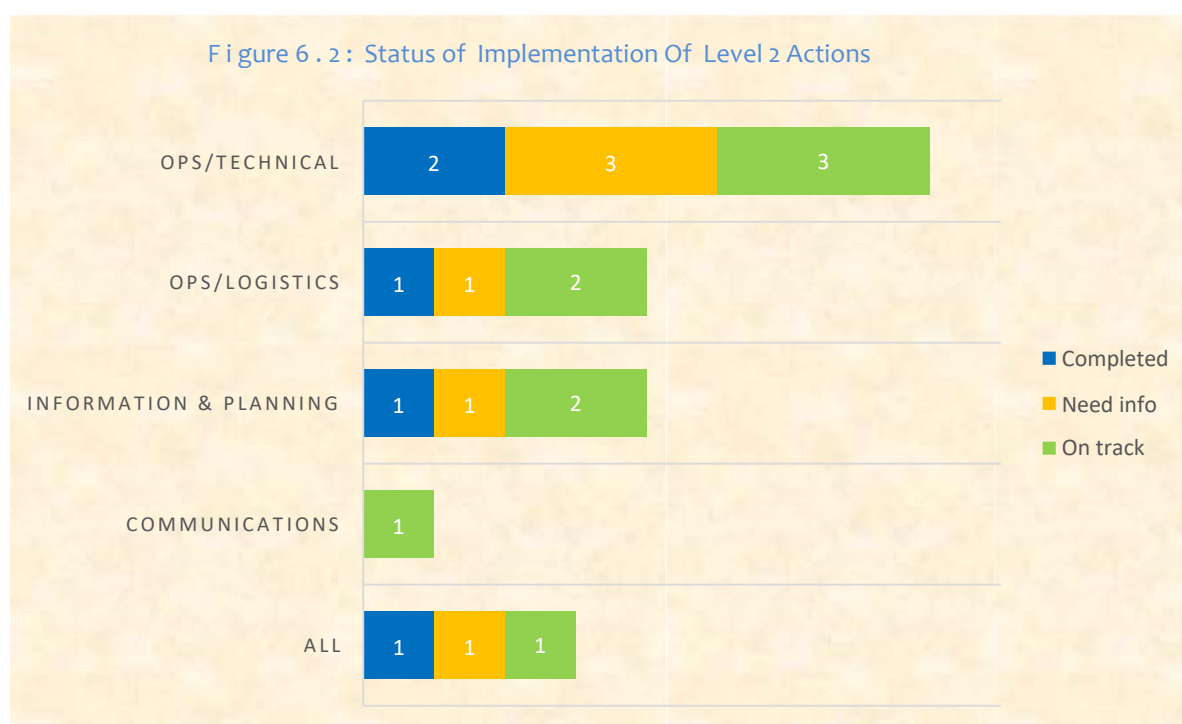
¹⁰ Management comments receipted on 06/11/20

6.2 Level 2 Response Assessment Outcome

Question No 2

Have assigned leads implemented response actions in accordance with requirements of the COVID-19 Preparedness and Response Plan following identification of COVID-19 cases in Fiji?

Based on the 20 actions identified to be undertaken if the imported cases of the potential or confirmed COVID cases been recognized, then the responsible lead agencies will have to implement all other actions with its varying status with the exception of one action that was not executed and considered not applicable is illustrated in **Figure 6.2** below.



Risk assessments have been conducted and an SOP on Risk management of Exposure of Healthcare Workers has been drafted and implemented with effect from 8th April 2020. Guidance on travel restrictions to Fiji has also been developed providing directions for measures to be undertaken for vessels entering Fiji via sea ports.

The ministry generally agreed with the findings of the audit for the Level 2 of the *Fiji COVID-19 Preparedness and Response Plan*.

Since 31st July 2020, there has been a lot of changes and modifications that transpired during the execution phase of the plan resulting in the increase of some actions for the different levels based on separate scenarios. With more resources allocated to the current border screening processes and accommodating of repatriated Fiji citizens including the dual citizenship passport holders, the containment of the pandemic at this level without any public outbreak shows the level of commitment by the COVID – 19 Incident Management Team and Taskforce Team of MHMS and including the different stakeholders too. The *Fiji COVID-19 Preparedness and Response Plan* will be the plan to use as guidance on any future epidemic or pandemic for the MHMS and for other stakeholders as well¹¹

¹¹ Exit meeting minutes 19/10/2020 at Denim House - MoHMS

The IMT structure is intended to provide a functional role to taskings and the actual operational deliverables are done at the divisional and sub-divisional level. The PRP should be considered as a living document and therefore needs to be reviewed with lessons learned and changes in the context of COVID-19¹².

The Ministry of Commerce, Trade, Tourism and Transport (MCTTT) is the secretariat of the COVID-19 Risk Mitigation Taskforce is now the strategic body that is driving the COVID-19 Economic Recovery Framework. The phases and levels of action and its changes will be done in consultation and with approvals of the CRMT¹³.

The COVID-19 pandemic is still a threat and therefore MoHMS will continue to maintain a certain level of preparedness. The focus of the response is now on managing border quarantine and potential positive cases that are picked at the border quarantine area. There is no local community transmission in Fiji for over 200 days¹⁴.

MoHMS is further planning simulation exercises and will conduct refresher trainings and build on communication and advocacy to maintain a high degree of awareness, skills and response to COVID-19¹⁵.

Recommendation

The Ministry should continue with its efforts towards implementing actions under Level 2 of the Preparedness and Action Plan.

¹² Management comments receipted on 06/11/20

¹³ Management comments receipted on 06/11/20

¹⁴ Management comments receipted on 06/11/20

¹⁵ Management comments receipted on 06/11/20

6.3 Expenditure Framework Methodology

Question No 3

Is there an expenditure framework methodology that consistently tracks all COVID – 19 related costs in order to better understand the financial impact of the pandemic against the Preparedness and Response Plan?

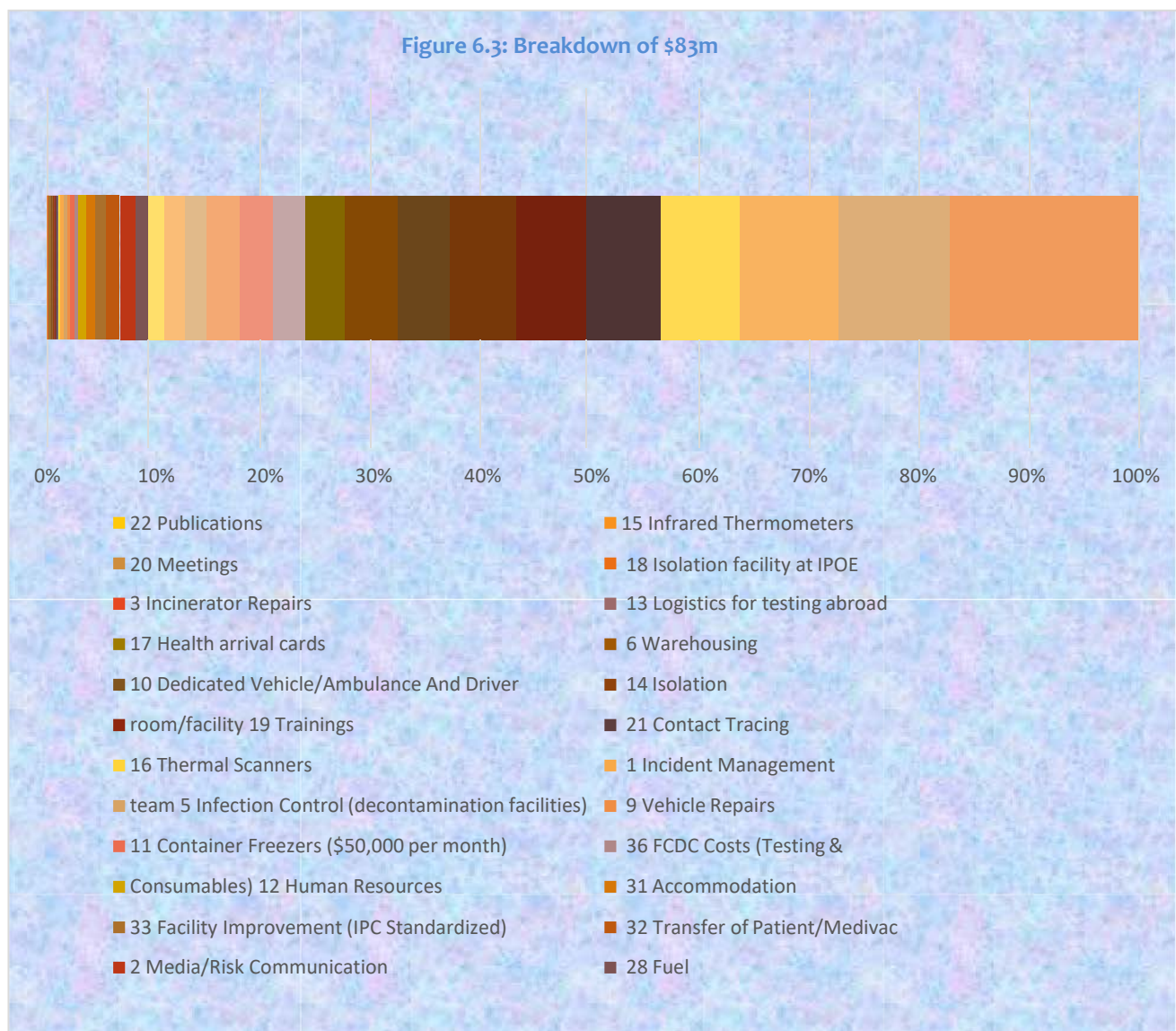
Assessing specific expenditure items pertaining to the COVID – 19 programmes of activities is generally challenging within a country and more so across countries globally. This COVID – 19 expenditure accounts are essentially the result of budgeting process through which the level of spending in public administration is set. Budgeting processes differ largely across within countries, depending on the political environment influence as well as the fiscal system adopted¹⁶.

There's little guidance available on how to carry out public expenditure reviews to establish a reliable comparative analysis and this is where sectoral expenditure reviews will become a challenge where COVID – 19 related activities entail across sectoral costs incurred items within the MoHMS divisions and districts which is also embedded with other stakeholders, like the Ministry of Défense and Ministry of Disaster and Risk Management expenditures. For example, a staff in MoHMS may work both on COVID – 19 and on other health program activities, hence only part of their staff time can be counted as spending for COVID – 19 activities.

Also, this poses a greater challenge when comparing one sector globally due to the inconsistent methodology applied for monitoring expenditure over time and this COVID – 19 incurred costs is no exception.

Included in the PRP(v3) was a budget provision of \$2,320,600 based on estimated costs for a three-month period to cater for immediate preparatory needs as well as contingencies to facilitate the implementation of COVID-19 Specific Protocols at various levels. A revised six-month budget of \$83,426,000 was also identified in the plan and requested for to fund 40 activity items to be undertaken as reflected in **Figure 6.3** below.

¹⁶ Towards a Framework for Accounting National Risk Management Expenditures & Losses of Disasters (2015)

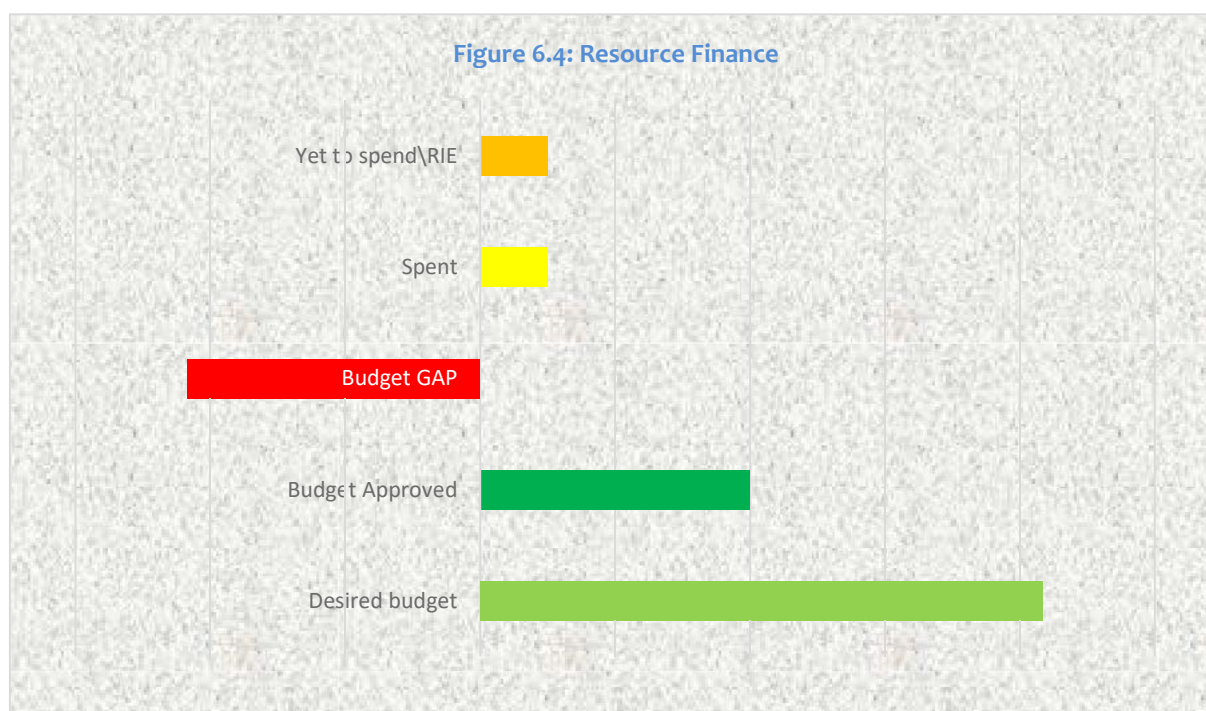


Source: Pandemic Response Plan (Version 3)

Of the 40 items listed as activities to be funded by the \$83m budget, it was noted that anticipated overtime expenditure comprised about \$14.4million or more than 17% of the estimated six-month budget.

However, the Ministry was only provided with \$40million in the COVID-19 Response Budget 2019-2020. Budget breakdown/components for the \$40million allocation was not made thus arbitrary allocations of expenditure were compiled as presented above. No meaningful comparison of budget verses actuals can be made except for the expenditure allocations provided above.

As at 31 July 2020, the Ministry had used almost \$12m with the remaining public fund balance of \$28m. Resource utilisation is illustrated in **Figure 6.4** below.



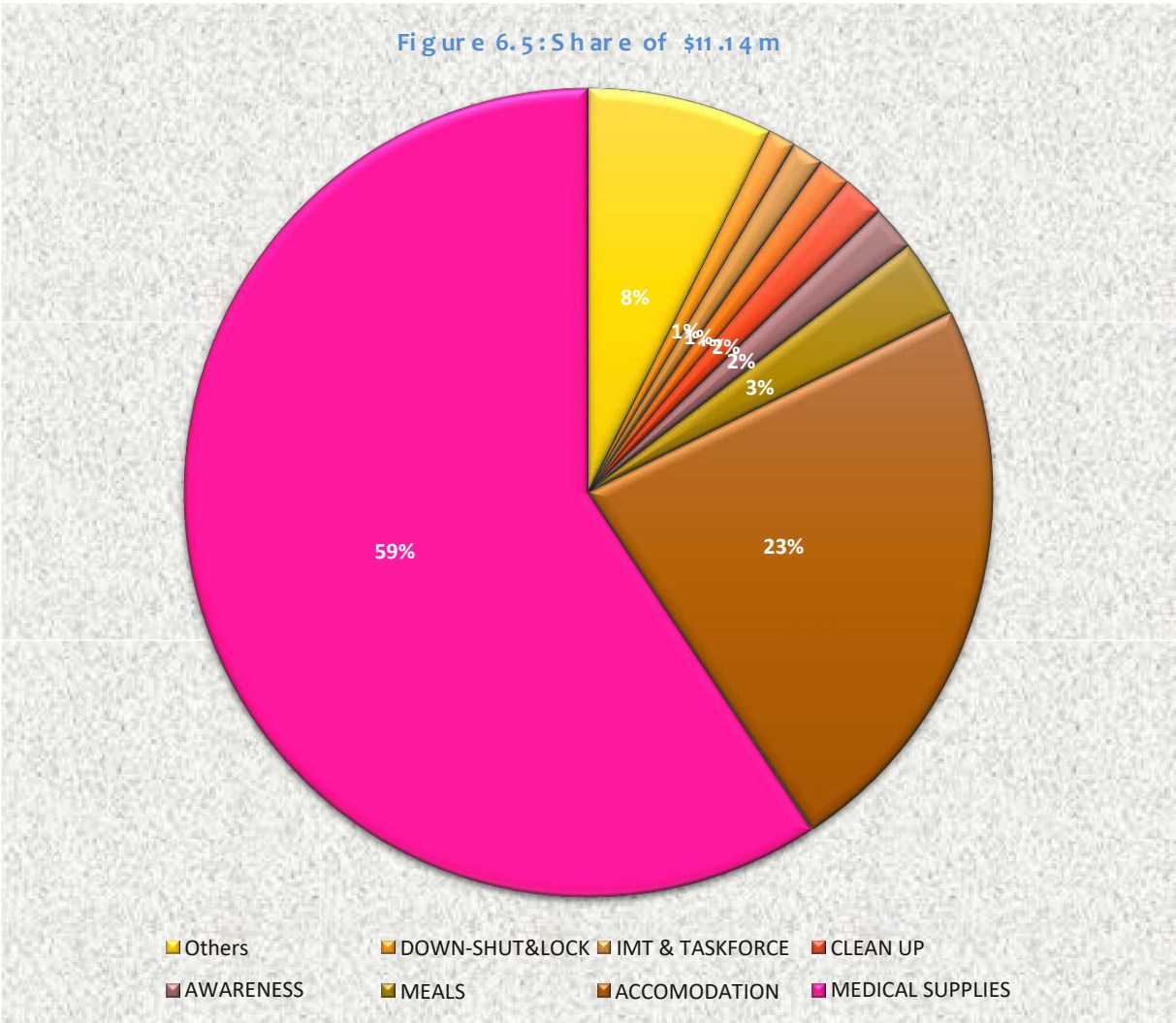
Given that a financial reporting structure did not exist for the pandemic, determining of actual expenditure against the budget requested could not be easily identified. An analysis of expenditure incurred as at 31/07/2020 valued at \$11,149,519 were classified as listed in **Table 7.3.1** below.

Table 7.3.1: Incurred Expenditure Details as at 31/07/20

Actions	Classified Amounts (\$)
Others	825,377
Down- Shut & Lock	123,370
IMT & Taskforce	140,961
Covid	1403,498
Clean Up	189,933
Awareness	198,432
Meals	348,561
Accommodation	2,565,146
Medical Supplies	6,614,241
Total	11,149,519

The table above gathered from the audit analysis reveal the consequence of the lack of a reporting framework to readily elevate transactional reporting up to summary level for flexible operational decision-making given the fluid nature of the pandemic.

Figure 6.5 further resonates the need for such framework as basis for decision-making as the current method adopted is not clear and properly structured which posed challenges in determining how much of each public fund dollar has been spent under each pillar of the action.



The Ministry agreed with the findings of the audit that there is no financial framework structure in place to lock the budget and expenditures incurred for the pandemic against *Fiji COVID-19 Preparedness and Response Plan*.

The Principal Accountant explained that the Ministry used the MoHMS Financial Instructions that is aligned to the Financial Management Act 2004 (Revised 2016) for the purpose of recording, reconciling and reporting of the COVID – 19 incurred costs. MoHMS also used the same FMIS chart of accounts to record these costs as COVID related expenditures and with the COVID - 19 cash flow to settle these payments is drawn from the Ministry of Economy Head 50 allocation.

However, we reiterated that the WHO *Preparedness and Response Plan* provides guidance on how to assign the identified budget resources against the *Fiji COVID-19 Preparedness and Response Plan*. The purpose of the financial framework provided by WHO is to simplify the recording processes of the resource budgets against the *Fiji COVID-19 Preparedness and Response Plan* in order to provide timely feedback on the costs incurred within the identified pillars.

The Principal Accountant advised that MoHMS will provide an updated list of expenditure grouping to demarcate the different costs incurred against the Level of Actions for each pillar. MoHMS will also provide evidence relating the changes currently in progress in terms of making entries on the

different pillars of the *Fiji COVID-19 Preparedness and Response Plan* to be consistent with the WHO financial framework.

The financial arrangements after the revised budget provide a funding under R (under Head 50), meaning that MoHMS was assessing funding only after Ministry of Economy approvals. Initially a sum of \$10 million was requested (released) which was used to immediate response activities¹⁷.

In hindsight, there was a lack of a structured financial workplan as the response was in an emergency mode. Expenditure items were not tabled under categories and kept as a general COVID-19 spending item¹⁸.

For the subsequent budget (2020-2021), the IMT has designed a costed, indicator based financial plan. There are ten (10) outputs with a projected list of activities (not limiting to those described) and an estimated budget per each quarter. The Financial team is tasked to ensure that each expenditure is tagged to an output and this method provides a summary of spending and helps in being transparent in the expenditure for COVID-19¹⁹.

Recommendation

The Ministry should record COVID-19 related expenditure using a reporting framework that enhances monitoring and evaluation including comparability of budgeted expenditure against actual expenses for the PRP.

¹⁷ Management Comments receipted on 06/11/20

¹⁸ Management Comments receipted on 06/11/20

¹⁹ Management Comments receipted on 06/11/20

7. Conclusion

Overall, the results of our audit indicated that as at 31/7/2020, the MoHMS through the responsible leads has generally implemented appropriate response actions in accordance with the Fiji Coronavirus (COVID-19) PRP. Implementation of the response actions have enabled a state of preparedness for addressing the occurrence of COVID-19 in Fiji.

Due to the unavailability of budgetary details, we could not determine whether expenditure was incurred in accordance with the approved funding provided. MoHMS was only given four months to utilize the revised budget and this is one of the big limiting factors as IMT/MoHMS needed to have a good financial control on spending because its focus was largely on emergency response²⁰.

Furthermore, in the absence of relevant framework for reporting of expenditures relating to the pandemic, we could not determine the impact of funding of the COVID-19 Response Budget through Act 1 of 2020 COVID – 19 Response Act 2020 against the seven pillars of the PRP.

²⁰ Management Comments receipted on 06/11/20

Appendix 1 – Detailed Status for each Level Actions

Level	Action	Status
L1.7	Develop Facility Specific COVID-19 preparedness and response plans	Completed
L1.13	Disseminate COVID-19 case and contact definitions to health care facilities and	Completed
L1.14	Establish investigation protocols and guidelines for contact tracing and contact management.	Completed
L1.22	Train staff involved in sample collection and sample referral for sending samples to the Fijian CDC	Completed
L1.23	Train staff involved in sample collection in the use of PPE and IPC protocols	Completed
L1.38	Establish thermal screening for inbound travellers from affected countries at IPOE	Completed
L1.39	Allocate an appropriate place and mechanism for rapid health assessment and	Completed
L1.3	Develop and implement the Coronavirus preparedness plan	Completed
L1.4	Establish and maintain a public health incident and command system and activate EOC	Completed
L1.5	Develop COVID-19 preparedness and response plan	Completed
L1.20	Conduct a Fiji specific risk assessment based on epidemiological situation, exposure and contextual factors including the public health capacity to a potential COVID-19 event	Completed
L1.48	Identify needs for and designate vehicles and drivers to support preparedness	Completed
L1.17	Activate police support to PoE health-screening, fever clinics and other COVID-	Completed
L1.37	Enhance health messages provided to inbound travelers (health cards, inflight	Completed
L1.47	Facilitates procurement of medical consumables for isolation facilities	Completed
L1.15	Establish and train expanded Rapid Contact Tracing Teams	Completed
L1.25	Designate isolation wards/facilities for the management of cases and ensure these facilities are appropriately equipped	Completed
L1.26	Identify and train clinical and non-clinical staff involved in the management of COVID-19 case/s at designated facilities including IPC	Completed
L1.24	Distribute COVID-19 Clinical Management Guidelines	Completed
L1.1	The MoHMS National Taskforce for the Coronavirus Formed, ToR Developed, Chair and Secretariat appointed, Members identified	Completed
L1.31	Protocols for vehicle decontamination to be developed and supervised by MoHMS designated infection control staff	Completed
L1.2	Develop and formalize the multiagency governance structure for Coronavirus preparedness and response	Completed
L1.10	Conduct a risk assessment and develop guidance for travel restrictions into	Completed
L1.33	Develop protocols for surge mortuary management	Completed
L2.1	Monitor alert triggers for activation of protocols for level 2 of the COVID-19 preparedness and response plan and coordinate with divisional Response Team (DORT) and Rapid Contact Tracing Teams	Completed
L2.2	Implement extended hours (evenings/weekends) operation of national health	Completed
L2.4	Activate enhanced contact tracing teams for rapid investigation	Completed
L2.7	Implement additional healthcare facility visitor restrictions and limit visitation hours	Completed
L2.21	Forecast and Procure Laboratory Diagnostics	Completed

Level	Action	Status
L1.6	Formalize the preparedness and response plan with Cabinet - obtain Cabinet approval	Delayed
L1.35	Draw up inventory list of all PoE personnel for the COVID-19 PoE operations	Need info
L1.36	Train PoE staff to manage potential COVID-19 cases among incoming	Need info
L1.41	Develop COVID-19 related Occupational Health and Safety measures, Infection Control and Disinfection guidelines and train Government, Non-	Need info
L1.49	Implement strict maintenance of hygiene practices within all health care facilities	Need info
L1.30	Decontamination procedures to be conducted or supervised by MoHMS designated infection control staff	Need info
L1.40	Develop a voluntary home isolation self-assessment and examination protocol	Need info
L2.3	Inform IHR (2005) through the Fiji national Focal Point and seek international assistance expertise as required	Need info
L2.9	Assess the need for, and if required activate, health care facility HDU/ICU surge	Need info
L2.10	Implement waste management protocol for isolation facilities	Need info
L2.12	Implement a monitoring system to ensure that clinical protocols are adhered to (internal audit)	Need info
L2.16	Intensify Occupational Health and Safety measures, Infection Control and Disinfection for Government, Non-Government and Public/private Sectors/Carry audit for facilities	Need info
L2.22	Ensure sufficient clinical supplies are available at health care facilities	Need info
L1.16	Establish and implement collaborative surveillance for unscheduled flights, missionaries, pilgrimages, contracted workers, international sporting and meeting events with risks of COVID-19 transmission	On track
L1.34	Develop public health emergency response plans for IPOE, and conduct training on protocols for Public health & Primary Care Response (divisional and sub-divisional)	On track
L1.11	Develop protocols and tools for enhanced surveillance and train providers	On track
L1.12	Develop and implement an enhanced early warning surveillance system for COVID-19 detection at the IPOE and selected healthcare facilities	On track
L1.8	Develop SOPs to implement the Preparedness and response plan.	On track
L1.9	Align other Government COVID-19 actions plans with the MoHMS COVID-19 Preparedness and Response Plan	On track
L1.19	Provide daily updates to health decision makers and other key stakeholders on	On track
L1.21	Establish GIS component of the Coronavirus surveillance system	On track
L1.32	Develop and implement fever clinic plan including identifying facilities, equipment, staffing, clinical operations, logistics, security and	On track
L1.43	Disseminate accurate and relevant information on COVID-19 to the public through mass media	On track
L1.42	Disseminate updates and status of international developments, local preparedness and response on COVID-19 regularly to stakeholders, decision makers and health care workers	On track
L1.44	Develop a risk communication plan that can be used to communicate with the public and stakeholders, including identification of credible spokespersons	On track
L1.45	Enhance health worker and public knowledge about COVID-19 through awareness raising and education	On track
L1.46	Facilitates procurement of Coronavirus specific PPE's by key stakeholders	On track
L1.18	Liaise with WHO and international health authorities to monitor the global spread and impact of COVID-19.	On track

Level	Action	Status
L1.29	Designated transport for transfer of Coronavirus suspected cases including identification of support agencies and IPC training	On track
L1.28	Provide dedicated (there is a word missing here) to the isolation facility for healthcare workers	On track
L2.5	Ensure samples are collected and sent as soon as possible to FCDC	On track
L2.6	Seek additional testing support (including testing kits and personnel) for	On track
L2.8	Isolate and manage suspected and confirmed cases in designated facilities in accordance with IPC and clinical management guidelines	On track
L2.14	Ensure compliance in home isolation and quarantine using partner agencies if required (Fiji Police)	On track
L2.15	Implement new public health intervention recommendations based on emerging best practice and evidence from recognised agencies (e.g. WHO, UNICEF, SPC, US CDC)	On track
L2.17	Enhance dissemination of information to health care workers in the public and	On track
L2.18	Continue risk communications aiming to reduce confusion, anxiety and fear and explain what is being done to manage case/s.	On track
L2.19	Monitor Supplies and Stock	On track
L2.20	Supply Facilities with PPE in Health care facilities as required	On track
L3.5	Liaise with international organisations for assistance and expertise	On track
L3.8	Monitor & Assessment of PPE utilization & need	On track
L3.14	Mobilise the capacity for increased isolation areas for confirmed and suspect cases (if not already activated under level 2).	On track
L3.17	Implement community isolation facilities including provision of supporting logistics and security as required	On track
L3.19	Refine key messages in risk communication plan to address the crisis	On track
L3.20	Review & evaluate risk communication	On track
L3.21	Continue to monitor Supplies and Stock	On track
L3.23	Ensure current availability of clinical consumable needs against WHO guidance	On track
L1.27	Ensure availability of PPE needed to implement recommended IPC measures at designated facilities	To be discussed
L3.4	Update Government representatives of status and potential need for further resources	To be discussed
L3.13	Reduce testing. Implement ongoing outbreak monitoring surveillance needs and risk based testing to reduce unnecessary excess use of test consumables	To be discussed
L3.18	Consideration of enhanced PoE measures including exit screening for departures	To be discussed
L3.22	Supply Facilities with PPE in Health care facilities as required	To be discussed
L2.11	Implement protocol for surge mortuary management	Not Applicable
L3.1	Monitor alert triggers for activation of protocols for level 3 of the COVID-19 preparedness and response plan and coordinate with divisional Response Team (DORT) and Rapid Contact Tracing Teams	Not Applicable
L3.2	Activate Public Health Emergency of the Public Health Act, HEADMAP and Hospital Emergency Plans	Not Applicable
L3.3	Coordinate HEADMAP response activities with other Divisions as appropriate	Not Applicable
L3.6	Identify staff from other Divisions able to provide "surge capacity" to affected	Not Applicable
L3.10	Similar actions as listed for Level 2	Not Applicable

Level	Action	Status
L3.11	Revise case definition for identification of cases and referral based on widespread local transmission	Not Applicable
L3.12	Similar actions as listed for Level 2	Not Applicable
L3.15	Implement protocols for expanded mortuary management	Not Applicable
L3.16	Similar actions as listed for Level 2	Not Applicable

Appendix 2 – Criteria for Question 1 – Level 1 Actions

Key Component	Criteria Action	Lead Responsibility
Command and Coordination	The MoHMS National Taskforce for the Coronavirus Formed, ToR Developed, Chair and Secretariat appointed, Members identified	PSHMS
	Develop and formalize the multiagency governance structure for Coronavirus preparedness and	Taskforce
	Develop and implement the Coronavirus preparedness plan	IMT
	Establish and maintain a public health incident and command system and activate EOC	IMT
	Develop COVID-19 preparedness and response plan	IMT
	Formalize the preparedness and response plan with Cabinet - obtain Cabinet approval	PSHMS
	Develop Facility Specific COVID-19 preparedness and response plans	DMO / MS /
	Develop SOPs to implement the Preparedness and response plan.	IMT
	Align other Government COVID-19 actions plans with the MoHMS COVID-19 Preparedness and	IMT
	Conduct a risk assessment and develop guidance for travel restrictions into Fiji	Taskforce
Surveillance, Risk Assessment and Response	Develop protocols and tools for enhanced surveillance and train providers	FCDC
	Develop and implement an enhanced early warning surveillance system for COVID-19 detection at the IPOE and selected healthcare	FCDC
	Disseminate COVID-19 case and contact definitions to health care facilities and IPOE	FCDC
	Establish investigation protocols and guidelines for contact tracing and contact management.	FCDC
	Establish and train expanded Rapid Contact Tracing Teams	IMT / FCDC
	Establish and implement collaborative surveillance for unscheduled flights, missionaries, pilgrimages, contracted workers, international sporting and meeting events with risks of COVID-19	EH / FCDC
	Activate police support to PoE health-screening, fever clinics and other COVID-19 health facility's as	IMT
	Liaise with WHO and international health authorities to monitor the global spread and impact	IMT / FCDC
	Provide daily updates to health decision makers and other key stakeholders on the global and regional situation	IMT
	Conduct a Fiji specific risk assessment based on epidemiological situation, exposure and contextual factors including the public health capacity to a potential COVID-19 event	IMT
	Establish GIS component of the Coronavirus surveillance system	IMT
Laboratory	Train staff involved in sample collection and sample referral for sending samples to the Fijian CDC	FCDC

Key Component	Criteria Action	Lead Responsibility
	Train staff involved in sample collection in the use of PPE and IPC protocols	FCDC
Clinical Management, and Infection Prevention and Control	Distribute COVID-19 Clinical Management Guidelines	MS / DMO / SDMO / IMT
	Designate isolation wards/facilities for the management of cases and ensure these facilities are appropriately equipped	MS / DMO
	Identify and train clinical and non-clinical staff involved in the management of COVID-19 case/s at designated facilities including IPC	MS / DMO / IMT
	Ensure availability of PPE ²¹ needed to implement recommended IPC measures at designated	MS / DMO / IMT
	Provide dedicated to the isolation facility for healthcare workers	MS / DMO / RFMF
	Designated transport for transfer of Coronavirus suspected cases including identification of support agencies and IPC	MS / DMO / Ambulance Services
	Decontamination procedures to be conducted or supervised by MHMS designated infection	MS / DMO / IMT
	Protocols for vehicle decontamination to be developed and supervised by MHMS designated infection control staff	Risk Manager / IMT
	Develop and implement fever clinic plan including identifying facilities, equipment, staffing, clinical operations, logistics, security	IMT
	Develop protocols for surge mortuary	Taskforce / FCDC
Public Health Intervention including Points of Entry Measures	Develop public health emergency response plans for IPOE, and conduct training on protocols for Public health & Primary Care	EH / FCDC / DMO / SDMO
	Draw up inventory list of all PoE personnel for the COVID-19 PoE operations	EH Unit / IMT
	Train PoE staff to manage potential COVID-19 cases among incoming travellers	IMT / EH Unit / CDC
	Enhance health messages provided to inbound travellers (health cards, inflight messages,	IMT
	Establish thermal screening for inbound travellers from affected countries at IPOE	FCDC
	Allocate an appropriate place and mechanism for rapid health assessment and isolation in the event of identifying a potential COVID-19 case	FCDC
	Develop a voluntary home isolation self-assessment and examination protocol for	Taskforce
	Develop COVID-19 related Occupational Health and Safety measures, Infection Control and Disinfection guidelines and train Government, Non-Government and Public/private Sectors	IMT / Ministry of Employment
Risk Communication	Disseminate updates and status of international developments, local preparedness and response on COVID-19 regularly to stakeholders, decision makers and	IMT

²¹ PPE as defined under WHO Disease Commodity Package Guidelines for Coronavirus, [https://www.who.int/publications-detail/disease-commodity-package---novel-coronavirus-\(ncov\)](https://www.who.int/publications-detail/disease-commodity-package---novel-coronavirus-(ncov))

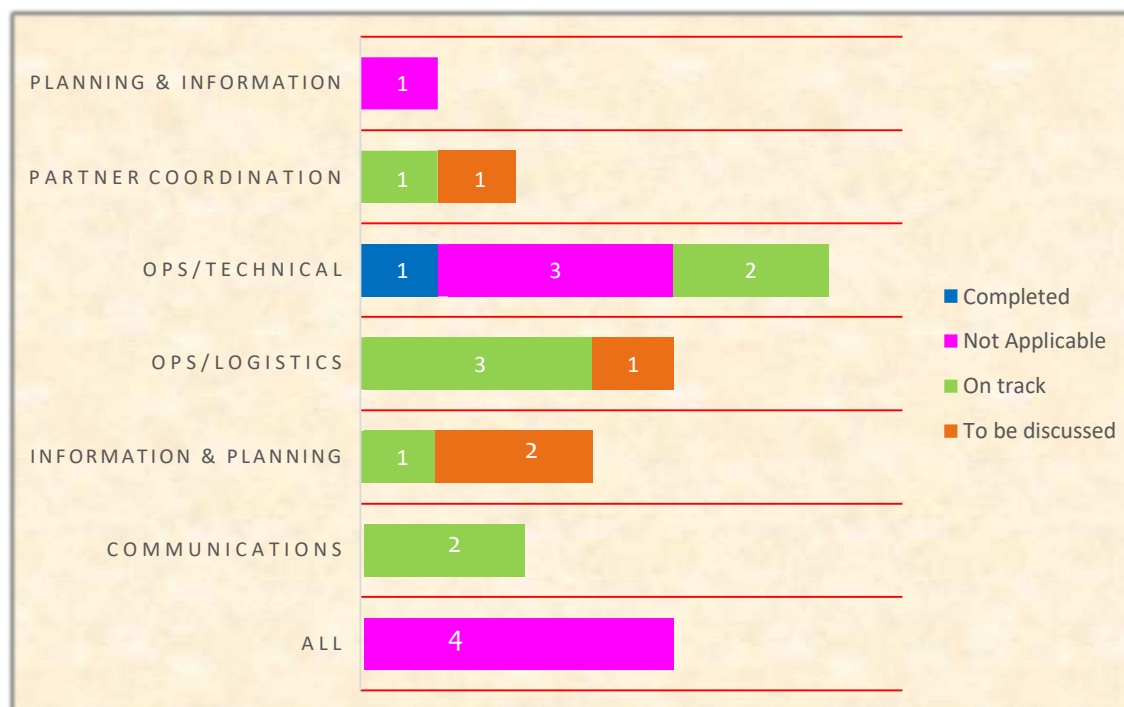
Key Component	Criteria Action	Lead Responsibility
	Disseminate accurate and relevant information on COVID-19 to the public through mass media	IMT
	Develop a risk communication plan that can be used to communicate with the public and stakeholders, including identification of credible spokespersons and methods of rapid	IMT
	Enhance health worker and public knowledge about COVID-19 through awareness raising and	IMT
Logistics, Procurement & Supply Management	Facilitates procurement of Coronavirus specific PPE's by key stakeholders	IMT / FPBS
	Facilitates procurement of medical consumables for isolation facilities	IMT / FPBS
	Identify needs for and designate vehicles and drivers to support preparedness and response	IMT
	Implement strict maintenance of hygiene practices within all health care facilities	MO

Appendix 3 – Criteria for Question 2 – Level 2 Actions

Key Component	Action	Lead Responsibility
Command and Coordination	Monitor alert triggers for activation of protocols for level 2 of the COVID-19 preparedness and response plan and coordinate with divisional Response Team	IMT / FCDC / DMO / MS
	extended hours (evenings/weekends) operation of national health EOC	IMT
Surveillance, Risk Assessment and Response	Inform IHR (2005) through the Fiji national Focal Point and seek international assistance	FCDC / IMT
	Activate enhanced contact tracing teams for rapid investigation	FCDC / MS / DMO / SDMO
Laboratory	Ensure samples are collected and sent as soon as possible to FCDC	FCDC / SDMO
	Seek additional testing support (including testing kits and personnel) for FCDC	FCDC / IMT
Clinical Management, and Infection Prevention and Control	Implement additional healthcare facility visitor restrictions	MS / DMO / SDMO
	Isolate and manage suspected and confirmed cases in designated facilities in accordance with IPC and clinical	DMO / MS / SDMO
	Assess the need for, and if required activate, health care facility HDU/ICU surge capacity	MS
	Implement waste management protocol for isolation facilities	DMO / MS / SDMO /
	Implement protocol for surge mortuary	DMO / MS / SDMO
	Implement a monitoring system to ensure that clinical protocols are adhered to (internal	Risk Managers / IMT
Public Health Intervention including Points of Entry Measures	Similar actions as listed for Level 1	IMT
	Ensure compliance in home isolation and quarantine using partner agencies if required	IMT
	Implement new public health intervention recommendations based on emerging best practice and evidence from recognised agencies (e.g. WHO, UNICEF, SPC, US CDC)	Taskforce / IMT
	Intensify Occupational Health and Safety measures, Infection Control and Disinfection for Government, Non-Government and Public/private Sectors/Carry audit for facilities	IMT/Agencies
Risk Communication	Enhance dissemination of information to health care workers in the public and private	IMT
	Continue risk communications aiming to reduce confusion, anxiety and fear and explain what is being done to manage case/s.	IMT
Logistics, Procurement & Supply Management	Monitor Supplies and Stock	IMT
	Supply Facilities with PPE in Health care facilities as required	IMT

Key Component	Action	Lead Responsibility
	Forecast and Procure Laboratory Diagnostics	FPBS / FCDC
	Ensure sufficient clinical supplies are available at Health care facilities	FPBS / FCDC

Appendix 4 –Level 3 Plan Response Actions by Pillars



PROCUREMENT OF BIO-MEDICAL EQUIPMENT AND QUARANTINE ACCOMODATION AND STOCK MANAGEMENT FOR COVID-19



Table of Content

Executive Summary	3
1. Introduction.....	3
2. Subject Matter and Scope	4
3. Audit Objective	5
4. Audit Criteria	5
5. Explanation and reasoning for the methods used	5
6. Audit Findings.....	5
6.1 Governance Structures.....	5
6.1.1 Absence of approved standard operating procedures to guide the COVID-19 response7	
6.2 Payment of Accommodation Expenses.....	8
6.2.1 Absence of a reconciliation process between flight manifests and the Quarantine Accommodation listing.....	8
6.3 Procurement of Bio Medical Equipments	9
6.3.1 Procurement of Bio-Medical Equipment for COVID-19 Response	9
6.4 Donations and Aid in Kind	10
6.4.1 Lack of documentary trail between stock card and evidence of items received.....	10
6.4.2 Inventory levels not kept up to date	11
6.4.3 Control deficiencies noted for the delivery of PPE to the medical centers	12
7. Conclusion	14

Executive Summary

The Office of the Auditor-General carried out a compliance audit on the Procurement of Bio-Medical Equipment, Quarantine Accommodation and the Recording, Storage and Distribution of Personal Protective Equipment related to COVID-19 response.

The Ministry of Health and Medical Services was allocated a total of \$40million in the COVID-19 response budget announced on 27 March 2020. Out of this, only \$14.3million was utilized as at 31 July 2020. The major expenditure allocations included the following:

- Purchase of Bio-Medical Equipment
- Accommodation
- Overtime
- Meal Allowance
- Communication
- Miscellaneous

The objective of this compliance audit was to provide assurance on whether the Ministry of Health and Medical Services complied with the requirements of the Fiji Procurement Regulations 2010 and the Ministry's financial policy when procuring Bio-Medical Equipment and Quarantine Accommodation for COVID-19 response. In addition, we reviewed whether PPE received through Aid-in-Kind were properly received, stored and distributed.

Our review noted that Policies, Procedures, Operating Manual and Response Plan were still in draft form as at 31/7/20 and reconciliations were not carried out between the flight manifest and the quarantine accommodation invoice from the respective hotel. In addition, internal control anomalies were noted in the receiving, storage and distribution phases of the Personal Protective Equipment from the Suva Civic Center Warehouse.

The detailed audit findings with recommendations are included in Section 8 of this report.

1. Introduction

The World Health Organisation declared the Novel Coronavirus (COVID-19) a pandemic on 11 March 2020. The disease is an unprecedented public health emergency with significant social and economic impact globally. While the primary focus of the government is on safeguarding livelihood and public health during the emergency phase. Crucial oversight and key controls suffers as public financial management systems are adapted to be responsive and flexible.

The COVID-19 outbreak has significantly heightened risks to compliance, thereby affecting accountability and transparency. These risks relate to significant amounts of emergency funds being placed at the disposal of governments, absence of clear policies and procedures associated to the Ministry in governing funds for COVID-19 response, challenges in implementing internal controls due to working in restricted environments, capacity constraints in implementing compliance checks, risk of fraud and corruption due to weak controls and balancing the urgency of action with the need for compliance.¹

¹ COVID-19 Preparedness and Response Plan

The Ministry of Health and Medical Services was allocated an additional \$40million in the COVID 19 Response budget announced on 27th March 2020. The funds were allocated for the following:

1. Develop and implement the COVID 19 preparedness and response plan
2. Administrative support (including the establishment of an Incident Management Team)
3. Public Health messaging
4. Ramping up of Fiji's Intensive Care Unit (ICU) capacity
5. New operational facilities (including community quarantine facilities and fever clinics)
6. Procurement of face masks, complex and expensive equipment's like ventilators, PPE for workers, thermal scanners, set up of fever clinics, raise awareness, contact tracing and emergency medical responses and other contingency plans.

In addition, the Ministry also received aid in kind packages (including test kits, antibiotic injections, fuel cards, bed sheets, pillow cases, blankets, masks, fever guns, high flow oxygen machines etc.) from donors for COVID-19 relief.

This audit was conducted in accordance with the functions of the Auditor General specified in the Audit Act 1969 and Section 152 of the 2013 Constitution of the Republic of Fiji. These provide powers to the Auditor General to conduct compliance audits as stipulated under Section 6A of the Audit Act 1969

The audit was conducted based on the information and records provided by the Ministry from 27th March till 31st July 2020. We examined the procurement of Bio-Medical Equipment and Accommodation facilities used for quarantine purposes and the recording, storage and distribution of Personal Protective Equipment (PPE) received via Aid-in-Kind for COVID-19 response.

We have conducted this audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI 4000) on compliance auditing.

2. Subject Matter and Scope

A State of Emergency was declared by the Government of Fiji on 15th April 2020. Consequently, the Ministry used emergency procurement procedures to purchase Bio-Medical equipment and payment for accommodation used for quarantine purposes. Through this audit, we examined whether the Ministry applied the emergency procurement procedures according to the requirements of the Procurement Regulations 2010 and the Ministry of Health and Medical Services Finance Manual.

Three warehouses (Suva Civic Distribution Center, FPBS Warehouse and Fiji Emergency Medical Assistance Team-FEMAT), were established as a response to the COVID-19 threat. The Suva Civic Center warehouse received, stored and distributed items received via Aid-in-Kind while FPBS warehouse stored procured Bio-Medical equipment for COVID-19. We examined whether the recording, storage and distribution of AID-in-Kind received from donors were in accordance with the standard operating procedures of FPBS warehouse operations. It was noted that FEMAT and FPBS warehouse does not have documented procedures for COVID-19 related operations, therefore as such, the SOP for Civic Center will be taken as the benchmark for all three warehouses.

3. Audit Objective

The objective of this compliance audit was to obtain assurance on whether the Ministry of Health and Medical Services complied with the requirements of the Fiji Procurement Regulations 2010 and the Ministry's Financial Manual when procuring bio-medical equipment and payment for accommodation used for quarantine purposes.

Our audit also examined whether the Ministry complied with the requirements of the FBPS Standard Operating Procedures for the recording, storing and distribution of Personal Protective Equipment (PPE) received via Aid-in-Kind.

4. Audit Criteria

The audit criteria for this audit are derived from regulations, policy manuals and standards operating procedures designed to ensure compliance with laws governing government procurements. These include:

- Finance Instructions 2010;
- the Fiji Procurement Regulation 2010;
- Ministry of Health and Medical Services Finance Manual; and
- FPBS Suva Civic Center Standard Operating Procedure Manual 2020.

5. Explanation and reasoning for the methods used

The compliance audit approach was undertaken to assess the accountability of the funds utilized by the Ministry of Health and Medical Services to procure bio medical equipment and payment for accommodation expenses used for quarantine purposes. The audit further determined whether the Personal Protective Equipment received via Aid –in-Kind was properly recorded, stored and distributed.

We also determined whether the objective of the Covid-19 response budget was achieved and that proper guidelines and processes were followed by the Ministry of Health and Medical Services in implementing the COVID-19 response plan.

The audit was undertaken based on the documents provided by the Ministry of Health and Medical Services at the time of the audit.

6. Audit Findings

6.1 Governance Structures

Question No 1

Does the Ministry of Health and Medical Services have adequate governance structures in place?

The Ministry of Health and Medical Services established the Incident Management Team (IMT) on the 1 March 2020 for the preparedness, management and response to COVID-19. The IMT under its Term of Reference is responsible for planning, monitoring and reporting the current situation

and performance of COVID 19 response. It is also responsible inter alia for logistics, finance and administration, and partner coordination.

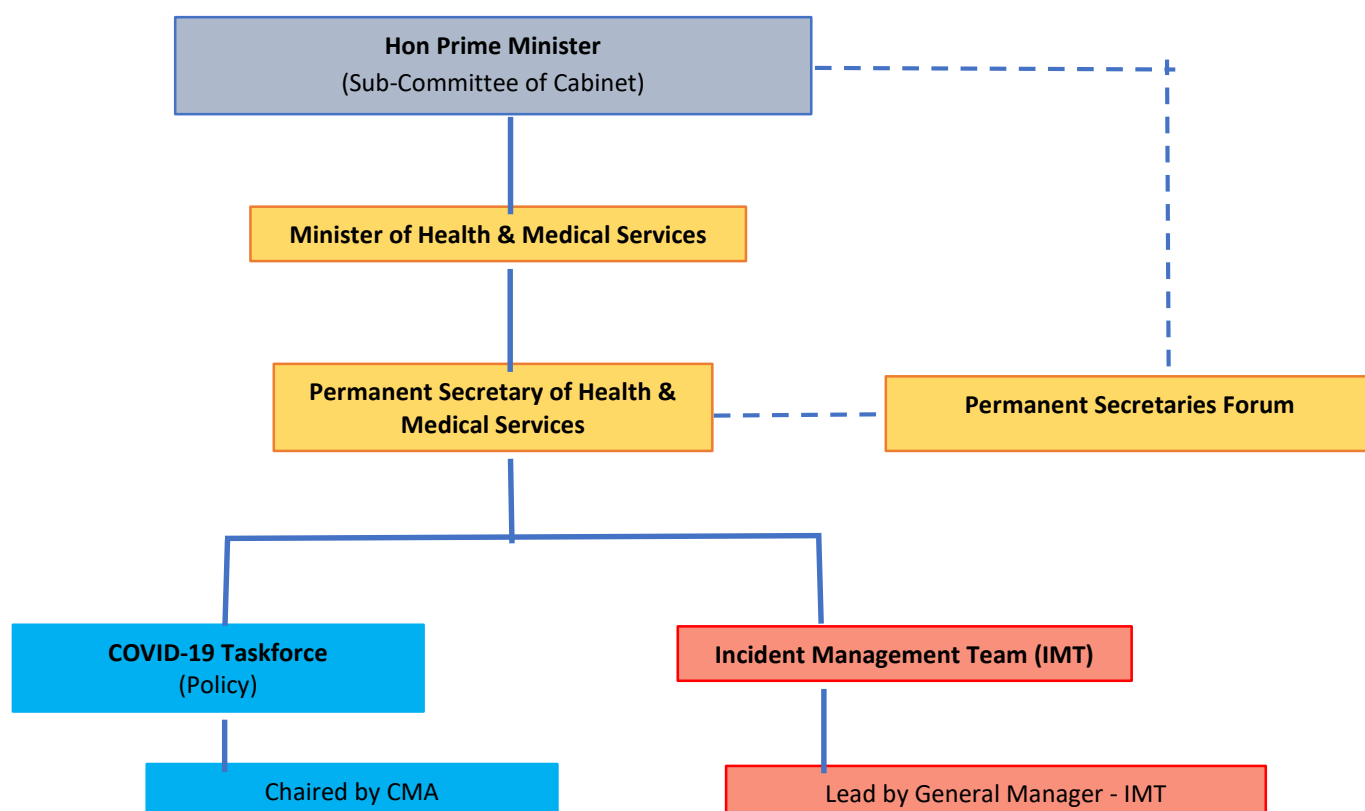
The IMT provides logistical oversight and coordinates supply chain management of operational supplies to support public and clinical health COVID-19 operations. It facilitates the timely and efficient provision of consumables and equipment to support the COVID-19 response. It is also tasked with securing field accommodation, functional and secure working spaces and equipment, communications capabilities, safe staff transport and effective fleet management.²

The IMT also provides finance, management and administrative support to enable the smooth functioning of the IMT by managing funding allocations and awards; tracking and reporting on financing against budget; supporting, monitoring and reporting on financial implementation; reporting and facilitating local payments; and providing of management and administrative services; and tracking and reporting on human resource requirements (surges) against plans.³

The IMT also coordinates liaisons with internal and external partners to support the implementation of the strategic, operational IMT action plan.⁴

The IMT reports to the the Permanent Secretary for Health and Medical Services through two reporting structures as illustrated in Figures 6.1 and 6.2 below. The IMT meets weekly and provides updates accordingly.

Figure 6.1: Higher level governance

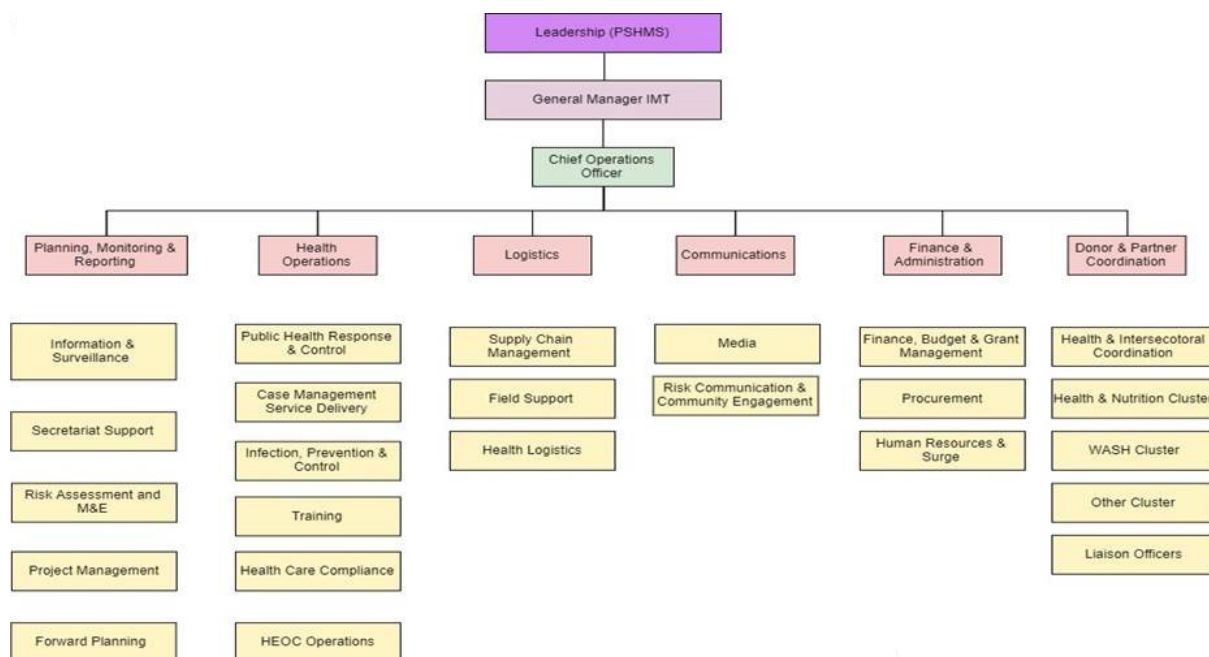


Source: COVID-19 Preparedness and Response Plan. Version 5

² Fiji Incident Management Team for COVID 19 Draft Terms of Reference – Section 5.3

³ Fiji Incident Management Team for COVID 19 Draft Terms of Reference – Section 5.5

⁴ Fiji Incident Management Team for COVID 19 Draft Terms of Reference – Section 5.6

Figure 6.2: Higher level governance

Source: Fiji Incident Management Team for COVID 19 Draft Terms of Reference Section 4.1(b)

6.1.1 Absence of approved standard operating procedures to guide the COVID-19 response

Each agency must have in place a cost effective system of internal controls which safeguards money and property against loss; avoids or detects accounting errors; and avoids unfavorable audit reports.⁵

Audit review of the governance structures for the COVID-19 response noted that a number of policies were in the draft phase as at date of audit.⁶ These were the:

- COVID-19 Preparedness and Response Plan
- Standard Operating Procedures for Suva Civic Center Warehouse Operations
- Terms of Reference for the Incident Management Team (IMT)

In addition, it was noted that there were no documented policies and procedures for operations for the FEMAT warehouse and FPBS Vatuwaqa warehouse in relation to COVID-19 response.

Absence of documented policies and procedures increases the risk of inconsistent financial practices and application of procedures thus providing opportunity for fraud and errors to take place.⁷

The Ministry in its response⁷ to the above findings mentioned that the COVID-19 Preparedness and Response Plan was approved in August 2020 when retrospective approvals was obtained from the Permanent Secretary for Health and Medical Services which is now available on the Ministry's website.

⁵ Part 10 of the Finance Instructions 2010

⁶ 31/07/20

⁷ Exit meeting held on 30.11.20

Recommendations

The Incident Management Team of the Ministry should :

1. finalise the documents which are in draft; and
2. prepare policies and procedures for the FEMAT warehouse and FPBS Vatuwaqa warehouse in relation to COVID-19 response.

6.2 Payment of Accommodation Expenses

Question No 2

Are the payment vouchers supported by sufficient and appropriate documentary evidence for payment of accommodation expenses?

6.2.1 Absence of a reconciliation process between flight manifests and the Quarantine Accommodation listing

The Cost Centre Accounting Head or Accounts Supervisor must not certify a payment as correct unless they are satisfied that:

- i) it is in accordance with a Purchase Order, indent, contract, invoice or other Authorisation;
- ii) there is documentation that the goods or works have been received.⁸

We noted from the review of the payments for accommodation used for quarantine purposes that there was an absence of a reconciliation between the flight manifest against the number of people who stayed at the respective hotel/resort quarantine location.

Table 6.1: Examples of Payments made for which no reconciliation was performed

Date	Payment ID	Payee	Amount (\$)
22/04/20	66322	Company A	254,729
29/05/20	68613	Company B	204,855
01/05/20	66732	Company B	147,325
05/05/20	66941	Company C	106,540
30/04/20	66672	Company D	96,710
20/04/20	66068	Company F	75,936
14/04/20	65019	Company G	64,125

We also noted instances where the purchase order was raised with the respective Hotel/resort quarantine facility after the last occupant had checked out of the hotel.

⁸ Section 2.8.5 of the Ministry of Health and Medical Services Finance Manual

Table 6.2: Examples of purchase order raised after the service has been rendered

Date	Payment ID	Vendor	Amount (\$)	PO Date	Check In Date
22/4/20	66322	Company A	254,729	06/04/20	28/03/20
29/5/20	68613	Company B	204,855	17/04/20	16/04/20
1/5/20	66732	Company B	147,325	21/04/20	25/04/20
5/5/20	66941	Company C	106,540	21/04/20	25/04/20
30/4/20	66672	Company D	96,710	28/04/20	24/04/20

The Ministry in its response⁹ to the above findings mentioned that they have implemented a reconciliation process whereby the Medical Officer in-charge of the Medical Facility used for quarantine purposes approves the invoice to be paid. This is then checked with the SOMERS database to check the number of people who arrived in a particular flight. This is then reconciled by the accounts team before payment is made to the respective hotel.

The Ministry plans that the Purchase Order be raised before the 2nd day of the quarantine period for each flight.

Recommendations

The Incident Management Team of the Ministry should :

1. reconciliations are carried out between flight manifest and the number of people accommodated at a hotel quarantine facility for each repatriated flight; and
2. Purchase Order are raised before the 1st check in the hotel to keep track and control of the number of authorised personal staying in a particular hotel quarantine facility.

6.3 Procurement of Bio Medical Equipments

Question No 3

Are payment vouchers supported by sufficient and appropriate documentary evidence for the procurement of Bio Medical Equipment?

6.3.1 Procurement of Bio-Medical Equipment for COVID-19 Response

Upon receipt of the goods, services or works, the receiving office shall verify that the goods are received in good order and that the invoice is in accordance with the Purchase Order (PO). The receiving officer must certify on the bottom certificate of the Purchase Order and also certify correct stamp and certify by the receiving officer that what's received reconciles with the PO and the PO total with the invoice.¹⁰

As at 31 July 2020, total \$6,562,111.12 was utilized for the procurement of Bio-Medical Equipment from the COVID-19 response budget. We reviewed a sample of the payments made for the purchase of bio-medical equipment and supplies and noted that all processes stated in the Finance Manual and Fiji Procurement Regulations 2010 were complied with. However, as at date

⁹ Exit meeting held on 30.11.20

¹⁰ Section 2.5.11 of the Ministry of Health and Medical Services Finance Manual

of audit¹¹, the some medical equipment and supplies were yet to be received at the FPBS warehouse. Refer to the table below for details.

Table 6.3: Details of Medical Equipment procured for the COVID-19 response

Date	Payment ID	Vendor	Amount (\$)	Description of Payment Made
24/04/20	66382	Company H	367,856.99	Purchase of Vital Signs of monitor, patient monitor, infusion pump, syringe pump and cardiac monitor – 50% advance payment made
24/04/20	66222	Company H	756,639.27	Purchase of Vital Signs of monitor, patient monitor, infusion pump, syringe pump and cardiac monitor – 50% payment done
24/04/20	66221	Company I	162,318.02	Purchase of 39 Suction Machine – 50% advance payment
11/05/20	67331	Company J	302,412.78	Purchase of Ventilator consumables – 40% advance payment
14/05/20	67331	Company K	4,041,811.85	Purchase of 50 ventilators with humidifiers – 100% payment made
Total			5,631,038.91	

The Ministry in its response¹² to the above findings mentioned that the Bio-Medical procured were received in October and November except for ventilators which was yet to be received. Appropriate documentation will be provided to audit to ensure paper trail of items received, stored and distributed to the respective medical facility.

Recommendation

The Incident Management Team should ensure that all medical equipment and supplies procured from the COVID-19 allocated funds are received and used for the purpose it was purchased for.

6.4 Donations and Aid in Kind

Question No 4

Are Donations and AID-in-Kind properly recorded, stored and distributed?

6.4.1 Lack of documentary trail between stock card and evidence of items received.

Proper filing of documentation must be kept and separated for items received.¹³

After items are taken on charge, items are to be moved to a proper designated storage area for ease of picking and checking. There should be once card per item.¹⁴

We reviewed the inventory cards for the items held at the Suva Civic Center and noted that the stock card was not updated with the movement of inventory such as supplied to or received at

¹¹ 31/07/20

¹² Exit meeting held on 30.11.20

¹³ Section A-10 of the FPBS Suva Civic Center Standard Operating Procedure Manual 2020

¹⁴ Section A-5 of the FPBS Suva Civic Center Standard Operating Procedure Manual 2020

the warehouse. The inventory card had only the entry as “cyclic count”. Refer to the table below for details.

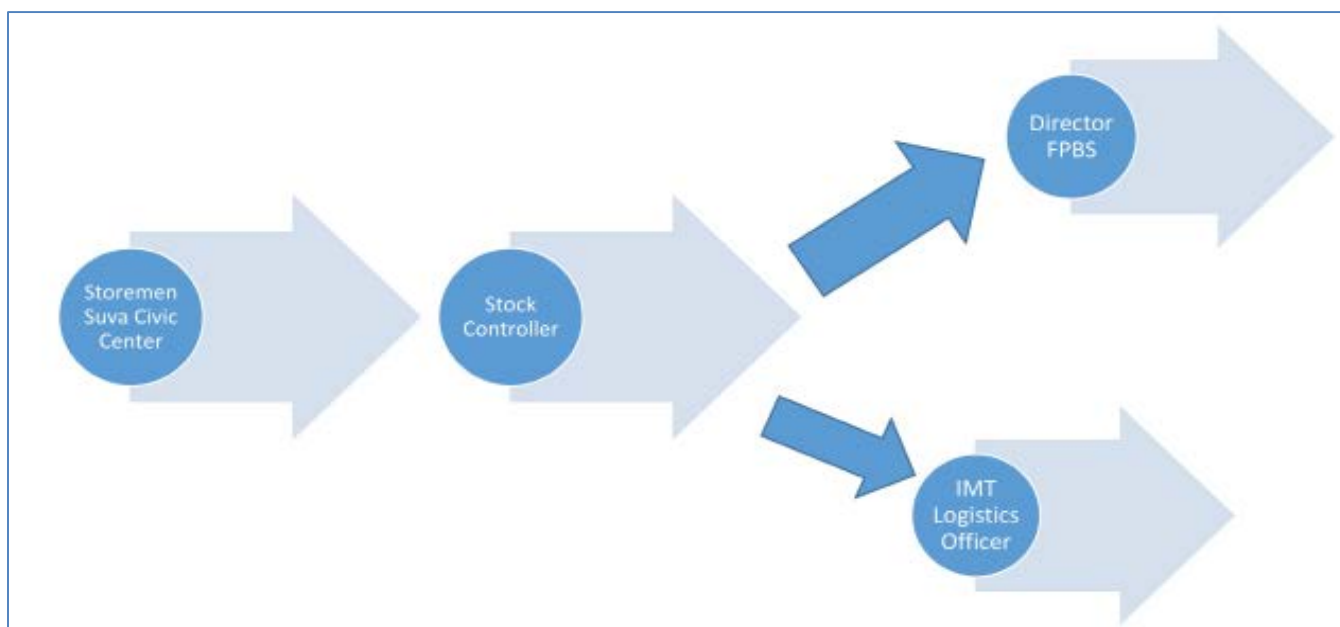
Table 6.4: List of Inventory items reviewed by audit

Item Description		
Powder Gloves	Pillow Kapook Vinyl Cover	Shoe Cover
Linen Beds	20 Litre Steel Bin	Alcohol Hand Gel
Orange Vest Reflector	Cone Reflector	Face shield
Vira Clean Solution	Mop Head	Protective Eye Google Wear
Towels	Bio Hazard Bag	Spice Chemical
Super Bleach	Pop-Up Tent	Rain Coat size
Disposable Apron	Taupulin	Jumbo Rolls Bath Tissue
Ice Packs	Thermal Gun	Hand Sanitizer
Television	Digital Thermometer	Toilet Paper
Modem	Bed Side Screen	Anti Bacterial Soap
Umbrella	Examination Couch	Gum Boots
Hair Broom/Handle	Stethoscope	COVID 19 Detection Kit
6 Men Tent	Gown Dispatch	Overall
Mattress	PPE Kit	Gown
Bar Reflector	Tuna Flakes	Mask

6.4.2 Inventory levels not kept up to date

The FPBS Suva Civic Standard Operating Procedure Manual 2020 states that Store men Suva Civic Center to do daily physical stock count and send balance of each item to stock controller officer before end of the day. Below is the Stock Reporting Chart.

Figure 6.3: Stock Reporting Chart



Source: Statndard Operating Procedure manual (2020)

We carried out random checks during the audit on 13 July 2020 and noted that stock take was not carried for all the inventory items held at the Suva Civic Center warehouse. Refer to the table below for details.

Table 6.5: Examples of inventory cards reviewed by audit

Item Description	Unit of Measure	Date of Last Entry on Stock Card
COVID-19 Detection Kit	Kit	15/09/20
Painter Coverall White (M)	Each	11/08/20
Painter Overall White (XL)	Each	11/08/20
White Overall Free size	Each	30/07/20
Painter Overall White (2XL)	Each	11/08/20
Disposable Gown White (Free Size)	Each	09/09/20
Face mask ear loop	Each	17/09/20
Surgical Mask N95	Box of 50	22/09/20
Surgical Mask Ear loop 3 ply	Pack of 50	10/08/20

In addition, we carried out stock take of 28 inventory items on 13 July 20 and noted variances between the stock card and audit count. Refer to the table below for details.

Table 6.6: Examples of variances noted between audit count and inventory card

Description of Item	Unit of Measure	Quantity on stock card (A)	Audit Count (B)	Variance (B-A)
Protective Face Shield Yellow/Orange	Each	58	34	(24)
Disposable Gown (L)	Each	321	300	(21)
Isolation Gown	Each	119	170	51
Alcohol Hand Gel 375mls	Bottle	2145	2148	3
Smart Hands 10 litre	Gallon	50	49	(1)
N95 Face Masks	Each	1215	15,167	13,952

The Ministry is yet to be provided their comments on issue raised.

Recommendations

The Incident Management Team should ensure:

- Inventory stock counts are carried out on a daily basis; and
- Up to date stock levels are provided to management for decision making.

6.4.3 Control deficiencies noted for the delivery of PPE to the medical centers

All requisition's from health facilities for Personal Protective Equipment is made through the approved order form and all details are properly filled and approved by the Incident Management Team Logistics Officer before further processing.¹⁵

Orders must be picked using the issue voucher for medical supplies and dispatch voucher to be signed by the receiving officer at the drop off point.¹⁶

We reviewed a sample of the issued voucher and noted that there was no requisitions form attached to the issued voucher. Refer to the table for details.

¹⁵ Section B-1 of the FPBS Suva Civic Center Standard Operating Procedure Manual 2020

¹⁶ Section B-3 of the FPBS Suva Civic Center Standard Operating Procedure Manual 2020

Table 6.7: Examples of items dispatched with no approved order form

Date	Issue Voucher No.	Item Dispatched	Unit of Measure	Quantity
25/06/20	68740	Toilet Paper	Each	40
		Hand Gel	Bottle	2
		Soap	Pack	4
		Surgical Mask	Box	2
		Powder Free Gloves	Box	1
09/07/20	68781	Hand Gel	Bottle	6
		Surgical Mask	Box	3
		Antibacterial Soap	Each	36
		Toilet Paper	Roll	40
29/05/20	68123	Gloves Powder Free	Box	2
		Surgical Mask	Pack	2
		Hand Sanitizer	Bottle	4
05/06/20	68707	Yellow mattress	Each	1
07/07/20	68755	Mattress with vinyl cover	Each	1
22/04/20	68539	Alcohol Hand Sanitizer	Bottle	7
22/05/20	68682	Hand Sanitizer	Bottle	12

The Ministry is yet to be provided their comments on issue raised.

Recommendations

The Incident Management Team should ensure:

- inventory items are dispatched as per the approved requisition form; and
- Evidence of individual items received at the medical facility is signed by the receiving officer.

7. Conclusion

Overall, the results of the audit indicate that the Ministry of Health and Medical Services has a number of policies and procedures that were still in the draft phase as at date of audit. This may have been attributed to time constraint to implement the COVID-19 Response due to the swift response required by the Ministry.

Furthermore, the Incident Management Team did not reconcile the flight manifest and the number accommodated at the hotel quarantine facility.

Audit review of the procurement of Bio-Medical Equipment noted that all processes and procedures were followed in accordance with the Fiji Procurement Regulations 2010 and the MoHMS Finance Manual. However, as at 31 July 2020, all the procured Bio-Medical Equipment were yet to be received by the Ministry.

It was further noted a number of control weakness in the recording, storage and distribution of Personal Protective Equipment received through donations. This was mainly attributed non-compliance to the FPBS Suva Civic Center Standard Operating Manual.

Overall, the Incident Management Team has done really well in terms of procurement of goods and services given the unprecedented challenges brought about by the pandemic. However, there are opportunities to improve to enhance accountability of funds allocated and donations received.

MANAGEMENT OF COVID-19 AID



Table of Content

Executive Summary	2
1. Introduction	3
2. Subject Matter and Scope	3
3. Audit Objective.....	4
4. Audit Criteria	4
5. Methodology.....	4
6. Findings.....	5
6.1 Receipt of Aid.....	5
6.2 Disbursement of Aid Funds	9
Question No 2	9
6.3 Disbursement of Aid in Kind	12
Question No 3.....	12
7. Conclusion	13
8. Appendix	14
Appendix 1 – Aid-in-kind received at the Ministry of Health and Medical Services Suva Civic Center Warehouse As At 04/09/2020	14
Appendix 2 – Aid received at the Ministry of Supplier D – Items/Relief Supplies and Equipment for COVID-19 as at 25 August 2020	26

Executive Summary

The Office of the Auditor General carried out a compliance audit on the Management of COVID-19 Aid which is administered by Ministry of Economy.

The primary objective of our audit was to obtain sufficient and appropriate evidence to form a conclusion on whether processes and controls existed and were effective to manage the COVID-19 Aid.

Our audit covered both the processes and conditions which relate to the receipt of aid funds and aid-in-kind and their utilisation in accordance with the agreements, financial regulations and policies covering the Management of COVID-19 Aid. The audit was conducted based on records and information provided by those charged with the Management of COVID-19 Aid through the Climate Change and International Co-operation Division of the Ministry of Economy.

We examined the total aid funds received by the Government of the Republic of Fiji, those received through various donors which include the governments of New Zealand, Australia, China, the United Nations Development Programme and donations from individual citizens and businesses into the dedicated bank account for COVID-19 which is held with the HFC bank. The total aid received in the form of cash for COVID-19 amounted to FJD\$23,319,628 as at 31 July 2020. We also examined the processes involved with the receipt and utilisation of aid-in-kind. The two main Ministries that co-ordinated and received aid in kind for COVID-19 are the Ministry of Foreign Affairs and the Ministry of Health and Medical Services.

The audit objective was to obtain sufficient and appropriate audit evidence to enable us to form a conclusion on whether in all material aspects the aid received has been utilised for the purposes as prescribed under the relevant agreements and conditions and the relevant financial regulations including internal controls relating to the use of COVID-19 Aid. To form a conclusion against the audit objective, the OAG adopted the following audit questions:

- (i) Were proper processes followed when receiving aid funds from the donor agencies?
- (ii) Were proper processes undertaken when disbursing aid in the form of cash to the recipients?
- (iii) Were proper processes followed when awarding the aid-in-kind to the recipients?

Our audit found that the Management of COVID-19 Aid was generally being administered well.

However, there were some areas where further improvements can be made which include the following:

- (i) Aid funds allocated for the National Disaster Management Office amounting to FJ\$448,000 was not utilised according to the requirements under the agreement;
- (ii) The absence of standard operating procedures or policy guidelines to govern the receipt, disbursement and utilisation of aid; and
- (iii) The absence of monitoring and reporting mechanisms on the management of aid.

The Ministry of Economy is managing Aid in cash and-in-kind without having an updated appropriate policy and procedures. This opens up avenues for ineffective management of aid in terms of its delivery to the intended recipients.

1. Introduction

The primary role of the Ministry of Economy is to support the Government in the efficient and effective management of the national economy consistent with the sustainable achievement of the Government's vision for the nation. The Ministry of Economy is responsible for providing efficient and effective economic and financial advice to Government including management of the national economy consistent with the Government's macroeconomic and financial objectives.¹

The Climate Change and International Cooperation Division (CCICD) of the Ministry of Economy is the responsible national agency for addressing climate change policy issues in Fiji. The CCICD is guided by the National Climate Change Policy (NCCP) and works in collaboration with Government agencies, non-governmental organisations, regional and international agencies and development partners.²

The Climate Change and International Co-operation Division (CCID) also plays a major role in terms of the administration and management of Aid Agreements between the Fiji Government and the Donor parties.

This audit was conducted in accordance with the functions of the Auditor-General specified in the Section 152 of the 2013 Constitution of The Republic of Fiji and section 6A of the Audit Act which provide powers to the Auditor General to conduct compliance audits.

Our audit was conducted based on the information and records provided by the Ministry of Economy during the period of audit from 14 August 2020 till 23 October 2020. We verified the international aid received by the four major donor agencies namely; United Nations Development Programme, Department of Foreign Affairs and Trade (Australia), Peoples Republic of China and the New Zealand Government. The audit also assessed cash donations received from citizens/ organisations in Fiji. Audit also covered the aid-in-kind registers maintained by Ministry of Health and Medical Services and the Ministry of Foreign Affairs.

2. Subject Matter and Scope

The subject matter for this audit was to determine whether the Management of COVID-19 Aid has been carried out in compliance with the requirements of International agreements, financial regulations and policies covering the recording and utilisation of the aid.

The Ministry of Economy's Climate Change and International Co-operation Division is responsible for administering aid funds received for COVID-19 relief purposes from donor agencies. Aid in the form of cash is received from the donor agencies and is intended to be utilised in accordance with the requirements of the relevant aid agreements. There are also instances where donors provide aid funds to Government without any agreement. This aid is normally supported by a letter of commitment by the various donors indicating their assistance in the form of cash to be used by the Government for its response towards the impact of the COVID-19 pandemic.

The assistance received by the Government during the pandemic is not only in the form of aid funds but also in non-monetary form which is termed as aid-in-kind. These aid-in-kind is given by the donors and is directly accounted for by the relevant Ministries and Departments that receive the

¹ <http://www.economy.gov.fj/about-us3/roles-and-responsibilities>

² http://www.economy.gov.fj/index.php?option=com_content&view=article&layout=edit&id=145

aid. The various Ministries and Departments which received the aid-in-kind are responsible for the recording and distribution of aid-in-kind.

Through this audit, we determined whether the Ministry of Economy and other relevant Ministries and Department that account for COVID-19 Aid have complied in all material aspects with the Aid Agreements, Financial Management Act 2004, Finance Instructions 2010, Finance Manual 2018, the conditions of the Aid support letter.

3. Audit Objective

The objective of this audit is to ascertain whether in all material aspects the COVID-19 Aid received has been utilised for the purpose as prescribed under the relevant agreements, conditions and financial regulations including internal controls relating to the use of the COVID-19 Aid.

This is a stand-alone compliance audit carried out in accordance with ISSAI 4000 to enable the Auditor General to form a conclusion on the above subject matter.

4. Audit Criteria

The criteria for this audit has been derived from the Financial Management Act 2004, Cabinet Decisions, Aid Agreements and agreed upon procedures which governs the operations of the management and administration of aid.

5. Methodology

The audit is based on document analyses, interviews and meetings with Ministry of Economy's Head of Budget, Head of Administration, Manager Training and Overseas Training Officer³ and Ministry of Economy's Head of Fiscal Policy, Manager Financial Reporting and Acting Head of Treasury.⁴ In the process of information gathering we had meetings with Ministry of Economy's Senior Development Finance Analyst International⁵ and Ministry of Health and Medical Service's Chief Health Inspector⁶ and have reviewed the entities documentations for the year 2019-2020. We further assessed the international agreements, the support letters for aid-in-cash, the Finance Instructions 2010 to source our audit criteria.

³ Meeting minutes dated 6/8/2020 with Ministry of Economy.

⁴ Meeting minutes dated 10/8/2020 with Ministry of Economy.

⁵ Meeting minutes dated 14/8/2020 with Ministry of Economy.

⁶ Meeting minutes dated 4/8/2020 with Ministry of Health and Medical Services.

6. Findings

6.1 Receipt of Aid

Question No 1

Were proper processes followed when receiving the Aid funds from the donor agencies?

The current process being undertaken by the Ministry of Economy's Climate Change and International Co-operation Division are as follows:

- Step 1 The negotiations are undertaken between donor parties and the Government;
- Step 2 Donor party submits the agreement;
- Step 3 Assessment of the agreement is made by the Ministry of Economy;
- Step 4 Draft agreement is submitted to the Solicitor General's Office for vetting and approval;
*If the Solicitor General is satisfied with the agreement, then the process proceeds to **Step 5**;*
*If not, then amendments are made and the process reverts to **Step 4**;*
- Step 5 A Cabinet paper and brief is prepared for the Honourable Minister for Economy;
- Step 6 If the Honourable Minister approves, then proceed to **Step 7**. If not, amendments are made and the process reverts to **Step 3**;
- Step 7 Cabinet paper and brief is submitted for cabinet approval. If cabinet approves then the process proceeds to **Step 8**. If not, amendments are made and process reverts to **Step 3**;
- Step 8 Signing of the agreement;
- Step 9 Disbursement of grant fund by the donor into the Government account;
- Step 10 The process ends.⁷

Each agency must have in place a cost-effective system of internal controls which –

- (a) Safeguards money and property against loss;
- (b) Avoids or detects accounting errors; and
- (c) Avoids unfavourable audit reports.⁸

The Accounting Head of an agency is responsible to the Permanent Secretary for the effective design and operation of internal controls across the agency.⁹

Cabinet decision 108/2020 was made on the subject Revised Funding Arrangement between the Australian Government and the Fijian Government for Budget and COVID-19 Support.

The Cabinet decision dated 04/05/20 referenced CP 20 (94) noted the revised funding support pledged by the Australian Government to the Fijian Government in the sum of AUD 12.215 million. This is the budget support grant for the Sustained Private Sector Led Growth Reform Program and

⁷ Process provided by the Ministry of Economy

⁸ Finance Instructions 2010, Section 59 (1)

⁹ Finance Instructions 2010, Section 59 (2)

Implementation of the Fijian Government COVID-19 Support Program. Cabinet also approved that the Minister of Economy execute and sign the revised direct funding arrangement with the Australian Government, for and on behalf of the Fijian Government on terms vetted by the Solicitor General's office.

The Direct Funding Arrangement between the Department of Foreign Affairs and Trade (DFAT) representing the Australian Government and the Ministry of Economy representing the Fiji Government in relation to the Fiji Sustained Private Sector Led Growth Reform Program and COVID-19 Support Program was signed on 14/05/2020. This agreement is known as DFAT Arrangement No 75818.

Another Cabinet decision 133/2020 was made on the subject Amendment to the Direct Funding Arrangement between the Government of Australia and the Fijian Government for Budget and COVID-19 Support.

A review of the Cabinet decision dated 09/06/2020 referenced CP (20) 116 noted an increase in direct funding support pledged by the Government of Australia. The amount of AUD 7.315 million funding to the Government of the Republic of Fiji was revised to AUD 19.530 million as budget support grant for the Fiji Sustained Private Sector-Led Growth Reform Program, implementation of the Fijian Government COVID-19 Support Program and for Fiji's Social Welfare Support and Schemes reform.

Following on from the Cabinet decision 133/2020, the amendment to the Fiji Sustained Private Sector-Led Growth Reform Program and COVID-19 Support Program agreement between the Government of Australia represented by the Department of Foreign Affairs and Trade and Government of the Republic of Fiji represented by the Ministry of Economy was signed on 12/06/20. This agreement is known as the Arrangement No 75818 Amendment No 1.

In addition to the above, Cabinet Decision 128/2020 was made on the subject Letter of Agreement between the United Nations Development Programme Pacific Office and the Fijian Government through the Ministry of Economy.

This Cabinet decision was dated 03/06/2020 through CP (20) 111 which noted the proposed letter of Agreement between the United Nations Development Programme Pacific Office and the Fijian Government through the Ministry of Economy.

Cabinet also approved that the Permanent Secretary for Economy execute and sign the proposed agreement with the UNDP for and on behalf of the Fijian Government on terms approved by the Solicitor General's Office.

Following on from the Cabinet decision 128/2020, a Standard Letter of Agreement was signed between the United Nations Development Programme (UNDP) Pacific Office and the Government of the Republic of Fiji through the Ministry of Economy. This agreement is on the Implementation of "COVID-19 Response Support in the Pacific" Project Number 00127582 which was signed on 04/06/20.

The Fiji Government received specific Aid for COVID-19 from the following donors:

- Government of Australia.
- New Zealand Government.
- China.
- United Nations Development Program (UNDP)
- Individual local donors

The total amount received for Aid funds by the Government of Fiji as tabulated below.

Table 6.1.: Funds Received Through Covid 19 Aid

Donor	FJD Amount
Government of Australia	17,182,721
New Zealand Government	4,468,530
People's Republic of China	890,461
United Nations Development Program	448,000
Local Donations	329,916
Total	23,319,628

Aid contributions from the Australian Government and United Nations Development Programme are supported by the Aid Agreements together with the accompanying Cabinet decisions. However, aid-in-cash received from the Chinese and New Zealand governments were given through a support letter by the donors to the Fiji Government. The letter indicates that they will provide cash donations to the Fiji Government in order to assist the Government in its response to the impacts of COVID-19.

COVID-19 Aid from local donations of \$329,916 was received through the dedicated HFC bank account. The local donors were provided an incentive which entitles them a 300% tax deduction for the amount of donation received. Enquiries made with FRCS indicate that these tax deductions would be effective once the donor lodges their Annual Income return from March 2021.

We were informed that Ministry of Economy's Climate Change and International Co-operation Division follows a process in terms of the administration and approval of the Aid funds. First, the negotiations between the donors and the Government is undertaken. Second, the draft agreement is vetted by the Ministry before it is submitted for the Solicitor General's approval. Third, a Cabinet paper together with a brief is given to the Minister. Lastly, cabinet approval is sought before the agreement is signed and funds are deposited into the Government's Consolidated Fund Account.

However, we noted the process has not been documented. It was further noted that the Climate Change and International Co-operation Division does not have an updated Standard Operating Procedure and Overseas Development Assistance (ODA) Policy to guide the processing and operations in relation to the management of Aid.

The last ODA Policy was developed in 2013 and covers the period up to 2014. This policy was developed as a document for stakeholder's consultation and covered both aid funds and aid-In-kind. The policy covers two delivery mechanisms which includes assistances from International

agency to the Government of Fiji and this is known as ‘multilateral aid’ and the second mechanism was from a foreign Government to the Government of Fiji and is known as ‘bilateral aid’. On the other hand, the last Standard Operating Procedures (SOP) was developed in 2016 for the then Overseas Development Assistance (ODA) Unit of the Ministry of Finance.

The SOP documents the procedures required to facilitate any activity carried out by the ODA Unit. It was also meant to assist new officers in the execution of duties and for the stakeholders to better understand the Unit’s role.

The administration of aid is now the responsibility of the Climate Change and International Co-operation Division under the Ministry of Economy. This is following a functional review and restructure whereby the Ministry of Finance was also renamed as the Ministry of Economy.

The Climate Change and International Co-operation Division has not yet developed any policy and Standard Operating Procedures to demarcate the types of aid, its responsibilities and also administration and processing of aid whether in the form of cash or in-kind.

The absence of a SOP or policy guideline would mean that proper internal control mechanisms are not addressed. A wide consultation with the relevant stakeholders would not be made to further enhance the operations of the Division. There is also no guideline in place to guide the overall operations of the Division and to clearly demarcate the areas of responsibility of the Division in terms of managing aid.

The Ministry of Economy stated that the 2016 SOPs of former ODA Unit while still applicable, is being updated to capture additional operational matters which is handled by the Climate Change and International Co-operation Division (CCICD). The Ministry further indicated that the update of the 2016 SOP will be done in consultation with other key stakeholders.

Recommendation

The Ministry of Economy should develop Policies and Standard Operating Procedures and Policies to govern the management of aid.

6.2 Disbursement of Aid Funds

Question No 2

Were proper processes undertaken when disbursing the aid funds to the recipients?

The Government of Australia will contribute up to a maximum of AUD 17,678,391 for the financial year 2019/2020 and AUD 1,851,600 for the financial year 2020/2021 through direct funding support to the Partner Government for the Program Activities, subject to the Government of Australia's annual parliamentary appropriations.¹⁰

The Annual Funding to be provided by the Government of Australia is provided in the table below:¹¹

Table 6.2.1: Aid Funds Provided by the Government of Australia

Year/ Funding	2019/20 – 2020/21
1. GOA – General Budget Support	AUD 1,000,000
2. COVID-19 Account	AUD 11,830,000
2.1 Support to the Ministry of Health and Medical Services	AUD 3,530,000
2.2 Support to the National Disaster Management Office	AUD 200,000
2.3 Support for general COVID-19 Preparedness and Response Action	AUD 8,100,000
3. Social Welfare Support	AUD 6,699,991
3.1 Social Welfare top-up for (i) poverty benefit scheme, (ii) care & protection allowance scheme and (iii) disability allowance scheme	AUD 5,229,991
3.2 Support for social welfare scheme reforms	AUD 1,470,000
TOTAL	AUD 19,529,991

The Ministry of Economy shall be fully responsible for carrying out, with due diligence and efficiency, all activities in accordance with its financial regulations, rules and other directives, only to the extent that they are consistent with UNDPs financial regulations and rules. In all other cases, UNDPs financial regulations and rules must be followed.¹²

The Ministry of Economy in conjunction with the Ministry of Health and Medical Services as part of prevention for the spread of COVID-19 ensures adequate quarantines and monitors all returning passengers, including Fiji citizens. The Ministry of Health and Medical Services would be able to detect and treat any possible COVID-19 patient. This will prevent the spread to the community. Mandatory quarantine facilities were organised for the 14 days quarantine on inbound travellers

¹⁰ DFAT Arrangement Number 75181 Amendment No 1, s 5.1

¹¹ DFAT Arrangement Number 75181 Amendment No 1, s 5.2

¹² Standard of Agreement between UNDP and Fiji on the implementation of COVID-19 response support in the Pacific, Section 2

and those during which Ministry reviews and monitors any medical issues, dental, NCD. These persons are sent home for home quarantine for the next 14 days after which they are presented with clearances letter once they are cleared to do so.

Following these measures, once they are cleared by the authorised Health officials, these people are free like any other citizens able to go to work and school. If anyone returns positive, they are immediately sent to the isolation facility for further treatment, monitoring and continued care.¹³

Activities to be carried out by the Ministry of Health and Medical Services would keep the returning citizens in isolation in designated hotels, supervised by authorised Health Personals (doctors and nurses) and officials of the Republic of Fiji Military Forces monitoring the health status or possible symptoms of COVID-19. The funds would be used to pay:

- i. Accommodation Costs;
- ii. Meals for these repatriated citizens; and
- iii. Meal allowances for the Medical Personnel.¹⁴

The UNDP has provided aid-in-cash amounting to USD \$200,000 for COVID-19 Response support in the Pacific.¹⁵

The total funds budgeted from Head 50 for the COVID-19 response activities amounts to FJD\$100,000,000.

A summary of the Government's funds utilised for the COVID-19 response program from Head 50 as at 11/09/20 under the COVID-19 Response budget is tabulated below. Un-acquitted refers to supporting details of the expenditure that have not been provided by the Ministry/Department which were allocated funds from Head 50 through the Ministry of Economy.

Table 6.2.2: Covid 19 Aid Funds Provided by the Government of Australia

Ministry/Department	Budget (\$)	Utilisation (\$)	Acquitted (\$)	Un-acquitted (\$)
Ministry of Health and Medical Services	40,000,000	14,079,944	11,015,704	3,064,240
Fiji Police Force	700,000	698,661	698,661	0
Republic of Fiji Military Force	150,000	150,000	150,000	0
Ministry of Agriculture	1,000,000	942,637	940,274	2,363
Fiji Competition & Consumer Commission	100,000	99,520		99,520
Unemployment Benefit – Tourism Sector	5,600,000	5,600,000		5,600,000
Unemployment Benefit – Lockdown Areas (Formal Sector)	7,000,000	7,000,000		7,000,000
Unemployment Benefit – Lockdown Areas (Informal Sector)	3,000,000	214,581		214,581

¹³ Standard of Agreement between UNDP and Fiji on the implementation of COVID-19 response support in the Pacific, Attachment 2, textbox 1.

¹⁴ Standard of Agreement between UNDP and Fiji on the implementation of COVID-19 response support in the Pacific, Attachment 2, textbox 2.

¹⁵ Standard of Agreement between UNDP and Fiji on the implementation of COVID-19 response support in the Pacific, Attachment 3.

Ministry/Department	Budget (\$)	Utilisation (\$)	Acquitted (\$)	Un-acquitted (\$)
Unemployment Benefit – General	5,000,000	5,000,000		5,000,000
Assistance to SME's	5,000,000	5,000,000		5,000,000
Head 50 – Contingency Funds (Unemployment)	5,000,000	5,000,000		5,000,000
Head 50 – Contingence Funds (General)	27,450,000	23,767,757		23,767,757
Total	100,000,000	67,553,100	12,804,639	54,748,461¹⁶

A summary of the aid-in-cash received and the funds utilised in response to COVID-19 is as tabulated below:

Table 6.2.3: Utilisation of Covid 19 Aid Funds

Funds Utilised (\$)	Funds Received From Aid Donors (\$)	Government Contribution (\$)
67,553,100	23,319,629	44,233,471

Discussions held with the Ministry of Economy revealed that most aid funds are treated as Budget Support Facility.

The utilisation of the aid-in-cash has been generally in accordance with most of the requirements in the various grant agreements as most Aid agreements and support letter states that the aid funds is to be generally utilised for COVID-19 response activities with the Ministry of Health and Medical Services getting a large portion of the funding.

Aid-in-cash was provided by UNDP to the Government of Fiji on the condition that the funds are to be utilized by the Ministry of Health and Medical Services alongside the Republic of Fiji Military Force in monitoring the health status or possible symptoms of COVID-19. As shown in the acquittals attached in Table 6.2.2, it is evident that Ministry of Health and Medical Services and Republic of Fiji Military Force has utilised the funds for COVID-19 response.

However, it was noted that a component in the DFAT Arrangement No 75181 had required that an amount of AUD 200,000 be allocated for the National Disaster Management Office. There was no funding specifically allocated for the National Disaster Management Office in the COVID-19 2019/2020 Response budget under Head 50.

Even though the Ministry of Economy-has done very well in terms of budgeting the funds and utilising the funds for activities in response to the COVID-19 pandemic, we were not provided with policies and guidelines or procedures to guide the processing, distribution and utilisation of the aid.

The Ministry stated that funding assistance from DFAT was provided in May 2020 for NDMO and as such could not be allocated in the Covid-19 Response budget. However, audit noted that there was an opportunity for the Ministry to amend the conditions of the funding in the revised agreement with DFAT dated 12/06/2020.

¹⁶ Utilization and Acquittals Statement for the COVID-19 aid –in-cash provided by the Climate Change and International Cooperation Division of the Ministry of Economy.

The Ministry indicated that reports on the use of Covid 19 Aid will be prepared on the use of Covid-19 Aid and will be forwarded to Permanent Secretary's office. In addition, the Ministry stated that monitoring will be strengthened in relation to grant agreements.

Recommendations

The Ministry of Economy should:

1. Develop Policies and Standard Operating Procedures to govern the management of Aid;
2. Ensure that monitoring is done on the Management of COVID-19 Aid to determine that funds are utilised for the intended purposes as stipulated in the agreements; and
3. Ensure that monitoring reports are prepared and submitted to the Permanent Secretary of Economy on the administration of Aid.

6.3 Disbursement of Aid in Kind

Question No 3

Were proper processes followed when distributing the Aid-in-kind to the recipients?

Each agency must have in place a cost-effective system of internal controls which –

- (a) Safeguards money and property against loss;
- (b) Avoids or detects accounting errors; and
- (c) Avoids unfavourable audit reports.¹⁷

The Accounting Head of an agency is responsible to the Permanent Secretary for the effective design and operation of internal controls across the agency.¹⁸

The aid-in-kind for Covid-19 is administered by the respective Ministries and Departments which receive the Aid.

The total aid-in-kind received by the Ministry of Health and Medical Services warehouse located at the Suva Civic Center is attached in the **Appendix 1**.

The total aid-in-kind received through the Ministry of Foreign Affairs is attached in the **Appendix 2**.

Audit scrutiny of the records for aid-in-kind revealed the following:

¹⁷ Finance Instructions 2010, Section 59 (1)

¹⁸ Finance Instructions 2010, Section 59 (2)

- I. There was no Standard Operating Procedures (SOPs) that guide the receipt of aid-in-kind from the donor agencies and distribution of these to the intended recipients. The absence of a SOP or policy guideline would mean that proper internal control mechanisms are not addressed for the Ministries that receive the aid-in-kind;
- II. As per the **Appendix 1**, it was noted that there were instances where the documentary evidence relating to aid-in-kind was not made available. As such the total value of the aid-in-kind could not be determined;
- III. While there was a value of \$566,499 determined by the Ministry of Health and Medical Services, this amount could not be substantiated since there were some aid items disclosed in the list for which values were not determined, thus were not included in the amount stated by the Ministry of Health and Medical Services;
- IV. The list provided during the audit included replenished stock, donations and purchased items. There was no way of separating aid in kind from the other item of stock maintained by the Ministry.

The Ministry of Economy stated that the Climate Change and International Co-operation Division is engaging technical assistance to develop a system that will support the monitoring and management of aid-in-kind. The Ministry further indicated that a register could be developed at a Whole of Government level to keep track of all aid-in-kind received and utilised.

The Ministry of Economy also stated that the Climate Change and International Co-operation Division will further engage in discussions with development partners to ensure that the Ministry of Economy remains the key focal point for any form of aid to be received prior to it being disbursed to recipient Ministry.

Recommendations

The Ministry of Economy and Ministry of Health and Medical Services should:

4. Develop Policies and Standard Operating Procedures to govern the management of aid-in-kind;
5. Ensure that proper monitoring is done for the management of aid-in-kind to enable the proper accounting of items that were received from donors; and
6. Keep proper records for aid-in-kind.

7. Conclusion

We determined that there was general compliance for aid funds with the international agreements, except for the condition by DFAT that National Disaster Management Office (NDMO) to be also allocated funds for COVID-19 response but this was not actioned. Documented and updated policies and procedures for management of all forms of aid will further improve accountability, monitoring and reporting of external assistance received.

8. Appendix

Appendix 1 – Aid-in-kind received at the Ministry of Health and Medical Services Suva Civic Center Warehouse As At 04/09/2020

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
	Medical Supplies							
	Personal Protective Equipment's (PPE'S)			Kit	\$26.63	\$54,440.71		2044
21.03.2020	Received Stocks	Replenished Stocks	Supplier A	Kit	\$26.63	\$21,943.12	824	
23.03.2020	Received Stocks	Replenished Stocks	Supplier A	Kit	\$26.63	\$21,943.12	824	
6.05.2020	Received Stocks	Donations	Supplier B	Kit	\$26.63	\$7,989.00	300	
2.09.2020	Received Stocks	Replenished Stocks	Supplier A	Kit	\$26.63	\$2,556.48	96	
	Surgical Mask							
	Surgical Face Mask with Ear Loop			Pack of 50	\$2.69	\$20,361.87		7583
21.03.2020	Received Stocks	Replenished Stocks	Supplier A				488	
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				72	
25.03.2020	Received Stocks	Replenished Stocks	Supplier A				356	
30.3.2020	Received Stocks	Replenished Stocks	Supplier A				60	
19.04.2020	Received Stocks	Donations	Supplier C				204	
16/04/2020	Received Stocks	Donations	Supplier D	Box of 50			22	
17/04/2020	Received Stocks	Donations	Supplier E	Box of 10			50	
30.04.2020	Received Stocks	Donations	Supplier F	Box of 50			26	
05/05/2020	Received Stocks	Donations	Supplier G	Box of 50			900	
05/06/2020	Received Stocks	Donations	Supplier H	Box of 50			120	
31.05.2020	Received Stocks	Donations	Supplier I	Box of 50			1,170	
31.05.2020	Received Stocks	Donations	Supplier I	Packs of 10			1,195	
31.05.2020	Received Stocks	Donations	Supplier I	Packs of 100			30	
31.05.2020	Received Stocks	Donations	Supplier I	Packs of 20			290	
1.06.2020	Received Stocks	Donations	Supplier J	Pack of 50			2,500	
28.08.2020	Received Stocks	Donations	Supplier K	Box of 50			100	
	Surgical Face Mask							20
31.05.2020	Received Stocks	Donations	Supplier I	Box of 50			20	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
	Surgical Mask Box of 50 (N95)			Box of 50	\$29.84	\$60,128.71		2015
21.03.2020	Received Stocks	Replenished Stocks	Supplier A				300	
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				30	
3.4.2020	Received Stocks	Donations	Supplier K				178	
17/04.2020	Received Stocks	Donations	Supplier L	Box of 50			480	
19.04.2020	Received Stocks	Donations	Supplier C	Box of 50			80	
4.05.2020	Received Stocks	Donations	Supplier M	Box of 50			20	
05/05/2020	Received Stocks	Donations	Supplier G	Pack of 6			787	
31.05.2020	Received Stocks	Donations	Supplier I	Each			100	
24.7.2020	Received Stocks	Donations	Supplier J	Box of 50			60	
	Gowns							
	Disposable Apron	PO		Each				300
04/09/2020	Received Stocks		Supplier A				300	
	Isolation Disposables Gown			Pack of 10	\$0.00	\$0.00		435
21.03.2020	Received Stocks	Replenished Stocks	Supplier A				180	
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				180	
17/04/2020	Received Stocks	Donations	Supplier L	Pack of 10			10	
19.04.2020	Received Stocks	Donations	Supplier C				60	
06.05.2020	Received Stocks	Donations	Supplier H				5	
O8088	Disposable Surgical Gown Large			PKT	\$12.80	\$16,409.60		1282
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				722	
30.03.2020	Received Stocks	Replenished Stocks	Supplier A				300	
19.04.2020	Received Stocks	Donations	Supplier C				260	
	Disposable Surgical Gown Medium			Pack of 10	\$12.80	\$1,792.00		140
19.04.2020	Received Stocks	Donations	Supplier C				140	
O5018	Disposable Surgical Gown White			Pack of 10	\$12.80	\$3,840.00		300
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				300	
O8085	Disposable Surgical Gown (XL)			PKT	\$12.80	\$16,934.40		1323
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				768	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
03.04.2020	Received Stocks	Replenished Stocks	Supplier N				435	
19.04.2020	Received Stocks	Donations	Supplier C				120	
	Surgical Gowns 3XL			Packs	\$12.80	\$4,800.00		375
04/03/2020	Received Stocks	Donations	Supplier N				375	
	Overall							
	Painted Cover White (M)	PO		Each	\$6.95	\$278.00		40
04/06/2020	Received Stocks	Donations	Supplier O				40	
	Painted Cover White (L)	PO		Each	\$6.95	\$215.45		31
04/06/2020	Received Stocks	Donations	Supplier O				31	
	Painted Cover White (XL)	PO		Each	\$6.95	\$215.45		31
04/06/2020	Received Stocks	Donations	Supplier O				31	
	Coveralls Disposable - XXXL	PO		Each	\$6.95	\$6,394.00		920
04/06/2020	Received Stocks	Donations	Supplier P				920	
	Coveralls Disposable - XXL			Each	\$6.95	\$208.50		30
7.4.2020	Received Stocks	Donations	Supplier O				30	
	Protective Suits	PO		Each				4400
5.5.2020	Received Stocks	Donations	Supplier G				2,000	
28.08.2020	Received Stocks	Donations	Supplier K				2,400	
	Overall White			Each				3669
4.05.2020	Received Stocks	Donations	Supplier M				1,000	
30.04.2020	Received Stocks	Donations	Supplier M				700	
31.5.2020	Received Stocks	Donations	Supplier I				1,269	
23.6.2020	Received Stocks	Donations	Supplier J				200	
24.7.2020	Received Stocks	Donations	Supplier J				20	
28.8.2020	Received Stocks	Donations	Supplier K				480	
	Safety Protective Eye Wear							
	Safety Glass			Each	\$8.00	\$2,464.00		308
17/4/2020	Received Stocks	Donations	Supplier E				62	
30.04.2020	Received Stocks	Donations	Supplier F				100	
30.04.2020	Received Stocks	Donations	Supplier P				100	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
31.05.2020	Received Stocks	Donations	Supplier I				46	
	Face Shield Orange/Yellow	PO		Each	\$12.00	\$0.00		
04/06/2020	Received Stocks		Supplier O					
O8108	Safe Wear/ Face Shield			Box of 24	\$4.50	\$6,912.00		1536
29/3/2020	Received Stocks	Donations	Supplier C				1,536	
O8087	Protective Blast and Visor Goggles			Each	\$24.00	\$23,040.00		960
23.03.2020	Received Stocks	Replenished Stocks	Supplier C				960	
O8086	Protective Goggles			Each	\$18.00	\$37,926.00		2107
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				960	
4.05.2020	Received Stocks	Donations	Supplier M				1,000	
17.04.2020	Received Stocks	Donations	Supplier E				62	
30.04.2020	Received Stocks	Donations	Supplier M				25	
31.05.2020	Received Stocks	Donations	Supplier I				60	
	Face Shield			Each	-	-		3750
5.5.2020	Received Stocks	Donations	Supplier G				2,000	
27.05.2020	Received Stocks	Donations	Supplier Q				100	100
11.06.2020	Received Stocks	Donations	Supplier Q	Each			100	100
13.06.2020	Received Stocks	Donations	Supplier Q	Each			100	100
25.06.2020	Received Stocks	Donations	Supplier Q	Each			100	100
31.05.2020	Received Stocks	Donations	Supplier I				660	660
09.07.2020	Received Stocks	Donations	Supplier Q	Each			200	200
23.07.2020	Received Stocks	Donations	Supplier Q	Each			100	100
08/04/2020	Received Stocks	Donations	Supplier Q	Each			100	100
28.08.2020	Received Stocks	Donations	Supplier K	Each			290	290
	Medical Disposable Gloves							
O8090	Powder Free Gloves (Small)			Box of 100	\$8.07	\$3,147.30		390
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				300	
30.03.2020	Received Stocks	Replenished Stocks	Supplier A				10	
19.04.2020	Received Stocks	Donations	Supplier C				80	
O8091	Powder Free Gloves (Medium)			Box of 100	\$8.07	\$4,562.15		565

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				300	
30.03.2020	Received Stocks	Replenished Stocks	Supplier A				10	
17.04.2020	Received Stocks	Donations	Supplier E				95	
19.04.2020	Received Stocks	Donations	Supplier C				160	
08092	Powder Free Gloves (Large)			Box of 100	\$8.09	\$3,826.19		473
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				300	
30.03.2020	Received Stocks	Replenished Stocks	Supplier A				10	
17.04.2020	Received Stocks	Donations	Supplier E				3	
19.04.2020	Received Stocks	Donations	Supplier C				160	
	Powder Free Gloves Size 7 1/2			Pairs				400
30.05.2020	Received Stocks	Donations	Supplier P				400	
	Powder Free Gloves (X Large)			Box of 100	\$8.09	\$1,456.06		180
19.04.2020	Received Stocks	Donations	Supplier C				80	
	Powder Free Gloves Size 8			Pairs				100
30.04.2020	Received Stocks	Donations	Supplier M				100	
00725	Disposable Gloves Small			Box of 100	\$3.52	\$0.00		0
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				0	
00724	Disposable Gloves Medium			Box of 100	\$8.07	\$1,372.68		170
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				100	
05.05.2020	Received Stocks	Donations	Supplier G				70	
00723	Disposable Gloves Large			Box of 100	\$8.09	\$1,140.58		141
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				100	
4.05.2020	Received Stocks	Donations	Supplier M				5	
30.04.2020	Received Stocks	Donations	Supplier M				6	
05.05.2020	Received Stocks	Donations	Supplier G				30	
	Alcohol Hand Gels							
09.07.2020	Received Stocks	Donations	Supplier R	Bottle			200	200
02411	Alcohol Based Hand Gel 500mls			Bottle	\$29.07	\$53,117.34		1,827
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				600	
04/03/2020	Received Stocks	Donations	Supplier N				75	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
17/04/2020	Received Stocks	Donations	Supplier C				1,152	
	Alcohol Based Hand Gel 375mls			Bottle	\$21.81	\$65,415.44		3,000
19/4/2020	Received Stocks (375ml)	Donations	Supplier C	Bottle			2,976	
17/04/2020	Received Stocks	Donations	Supplier L	Bottle			24	
O8095	Alcohol Based Hand Gel 340ml			Bottle	\$19.77	\$23,012.28		1,164
23.03.2020	Received Stocks	Replenished Stocks	Supplier C				1,164	
	Alcohol Hand Sanitizer Liquid			Bottle	\$0.06	\$60,000.00		1000
15/05/2020	Received Stocks	Donations	Supplier P				1,000	
	Alcohol Hand Sanitizer 4L			Bottle				322
15/5/2020	Received Stocks	Donations	Supplier P				125	
06/04/2020	Received Stocks	Donations	Supplier P				197	
	Alcohol Hand Sanitizer 10Litre			Bottles	\$65.00	\$3,250.00		50
21/5/2020	Received Stocks	Donations	Supplier Q				50	
	Alcohol Hand Sanitizer 5Litre				\$30.00	\$270.00		9
21/05/2020	Received Stocks	Donations	Supplier Q				9	
	Alcohol Hand Sanitizer 5Litre				\$130.00	\$1,300.00		10
21/5/2020	Received Stocks	Donations	Supplier Q				10	
	Alcohol Hand Sanitizer 5Litre				\$65.00	\$4,940.00		76
21/5/2020	Received Stocks	Donations	Supplier Q				76	
	Alcohol Hand Sanitizer 5Litre				\$20.00	\$4,800.00		240
21/5/2020	Received Stocks	Donations	Supplier Q				240	
	Alcohol Hand Sanitizer 5Litre				\$165.00	\$6,600.00		40
21/5/2020	Received Stocks	Donations	Supplier Q				40	
O6407	Sterile Shoe Cover			Pack of 100	\$4.73	\$7,236.90		1530
23.03.2020	Received Stocks	Replenished Stocks	Supplier A				1,180	
30.03.2020	Received Stocks	Replenished Stocks	Supplier A				80	
4.05.2020	Received Stocks	Donations	Supplier M				5	
19.04.2020	Received Stocks	Donations	Supplier C	Pack of 100			160	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
30.04.2020	Received Stocks	Donations	Supplier M				100	
	Machines							
30.04.2020	Nebulizer Machines	Donations	Supplier F	Each			26	26
	Gun							
	Thermal Gun			Each				234
4.05.2020	Received Stocks	Donations	Supplier M				100	
05.05.2020	Received Stocks	Donations	Supplier G				30	
06.05.2020	Received Stocks	Donations	Supplier H				5	
09.07.2020	Received Stocks	Donations	Supplier R	Each			99	
	Theatre Bouffant Cap							
	Theatre Cap			Box of 100				20
	Received Stocks	Replenished Stocks	Supplier A				20	
	SOAP							
05895	Antibacterial Soap				\$2.85	\$10,260.00		3,600
25.03.2020	Received Stocks	Donations	Supplier R	Pkt of 5	\$2.85	\$10,260.00	3,600	3600
	Linen							
	Pillow			Each	\$15.00	\$5,250.00		350
17/04/2020	Received Stocks	Donations	Supplier S	Each			350	
	Pillow Case			Each	\$3.50	\$13,667.50		3905
04/01/2020	Received Stocks	Donations	Supplier T				160	
04/03/2020	Received Stocks	Donations	Supplier U				214	
04/07/2020	Received Stocks	Donations	Supplier V				30	
04/09/2020	Grey Covers	Donations	Supplier U				400	
04/09/2020	Blue Covers	Donations	Supplier U				149	
16/04/2020	White Pillow Cases	Donations	Supplier W				350	
17/04.2020	Pillow	Donations	Supplier S				90	
22/04/2020	Pillow White	Donations	Supplier X				97	
21/05/2020	Pillow case	Donations	Supplier U				2,415	
	Bed Sheet			Each	\$9.85	\$41,212.40		4184
04/01/2020	Received Stocks	Donations	Supplier T	Each			19	
04/03/2020	Received Stocks	Donations	Supplier U	Each			355	
04/06/2020	Received Stocks	Donations	Supplier O	Each			30	
04/07/2020	Received Stocks	Donations	Supplier V	Each			30	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
04/10/2020	Received Stocks - Colour Grey	Donations	Supplier U	Each			510	
16/4/2020	Received Stocks	Donations	Supplier W	Each			700	
17/04/2020	Received Stocks	Donations	Supplier S	Each			180	
22/4/2020	King Size	Donations	Supplier X	Each			20	
21/05/2020	Received Stock	Donations	Supplier U	Each			2,340	
	Hand Towel			Each	\$5.87	\$727.26		124
1.4.2020	Received Stocks	Donations	Supplier T				21	
22/04/2020	Received Stocks	Donations	Supplier X				103	
	Towel			Each	-			50
1.4.2020	Received Stocks	Donations	Supplier T				5	
22/4/2020	Received Stocks	Donations	Supplier X				45	
	Blankets			Each				376
04/03/2020	Received Stocks	Donations	Supplier Y				40	
04/07/2020	Received Stocks - White	Donations	Supplier V				30	
21/05/2020	Received Stock	Donations	Supplier U				336	
	Other Items							
	Toilet Paper (Nabawan Tissue)			Each	-	-		280
1.4.2020	Received Stocks	Donations	Supplier T				200	
22/6/2020	Received Stocks	Donations	Supplier Z				80	
	Folded Chairs			Each				
04/02/2020	Documentations outstanding	Purchased Stocks	Supplier AA					
	Folded Tables			Each				28
27/03/2020	Documentations outstanding	Purchased Stocks	Supplier AA				28	
	Super Bleach			Bottle 5L	\$20.00	\$160.00		8
27/03/2020	Documentations outstanding	Purchased Stocks					8	
	Padel Bins			Each	\$43:00	\$774.00		18
04/02/2020	Documentations outstanding	Purchased Stocks	Supplier AA				18	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
	Head Infrared Thermometre			Each	-	-		30
5.5.2020	Received Stocks	Donations	Supplier G					
	Ventilator Machine			Each	-	-	-	3
5.5.2020	Received Stocks	Donations	Supplier G				3	
00822	Digital Thermometer			Each				250
04/02/2020	Received Stocks	Replenished Stocks	Supplier A				250	
	Mop Head			Each				120
1.4.2020	Received Stocks	Purchased Stocks	Supplier BB				120	
	Deck Broom			Each				40
04/02/2020	Documentations outstanding	Purchased Stocks	Supplier BB				40	
	Reflector Vest			Each				250
04/02/2020	Documentations outstanding	Purchased Stocks	Supplier BB				250	
	Bio Bottles			Each	-	-		-
04/03/2020	Received Stocks	Donations	Supplier N				80	
	Chlorine			500g jar	-	-		20
04/03/2020	Received Stocks	Donations	Supplier N				20	
	Ice Packs			Each	-	-		80
04/03/2020	Received Stocks	Donations	Supplier N				80	
	GreyTaupulin			Ech				
04/03/2020	Received Stocks	Donations	Supplier Y					
	Fiji Natural Water 375mls			Bottle			288	
04/11/2020	Received Stocks	Donations	Supplier S			\$288.00		
	Vai Wai			Bottle			240	
04/03/2020	Received Stocks	Donations	Supplier CC			\$240.00		
	Mattress with Vinyl Cover			Each				380
04/03/2020	Received Stocks	Donations	Supplier DD				30	
17/4/2020	Received Stocks	Donations	Supplier S				350	
	Bio Hazard Bags			Bag				200
19.04.2020	Received Stocks	Donations	Supplier C	BAG			200	
	Reflector Cones							200
14.05.2020	PO	Purchased Stocks	Supplier EE	Each			200	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
	Reflector Retractable Bar							50
	PO	Purchased Stocks	Supplier EE	Each			50	
				Box				1496
30.04.2020	Received Stocks	Donation	Supplier K				864	
18.05.2020	Received Stocks	Donation	Supplier K				432	
29.05.2020	Received Stocks	Donation	Supplier FF	Kit			200	
	Vinyl Gloves			Packs of 50	-	-		2000
31.05.2020	Received Stocks	Donations	Supplier I				2,000	
	JRT 2Ply			Bottle	\$60.00	\$1,200.00		20
22/6/2020	Received Stocks	Donations	Supplier Z				20	
	Pink Detergent			Bottle	\$80.00	\$800.00		10
22/6/2020	Received Stocks	Donations	Supplier Z				10	
	Boronia Disinfectant			Bottle	\$90.00	\$270.00		3
22/6/2020	Received Stocks	Donations	Supplier Z				3	
	Applause Liquid Airfreshner			Bottle	\$98.00	\$490.00		5
22/6/2020	Received Stocks	Donations	Supplier Z				5	
	Microban 500ml Plunge Bottle			Bottle	\$13.00	\$624.00		48
22/6/2020	Received Stocks	Donations	Supplier Z				48	
	Spice Liquid Air Freshner			Bottle	\$98.00	\$490.00		5
22/6/2020	Received Stocks	Donations	Supplier Z				5	
	Fresh Le Citrus Mopping Detergent			Bottle	\$90.00	\$270.00		3
22/6/2020	Received Stocks	Donations	Supplier Z				3	
	Cleaner 101			Bottle	\$90.00	\$360.00		4
22/6/2020	Received Stocks	Donations	Supplier Z				4	
	Examination Couch			Each	\$1,050.00	\$5,250.00		5
22/6/2020	Received Stocks	Donations	Supplier S				5	
	Bedside screen			Each	\$400.00	\$3,600.00		9
22/6/2020	Received Stocks	Donations	Supplier S				9	
	Blankets			Each	\$42.00	\$5,040.00		120
22/6/2020	Received Stocks	Donations	Supplier S				120	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
	Umbrella			Each	\$8.00	\$800.00		100
22/6/2020	Received Stocks	Donations	Supplier S				100	
	Gum Boots			Each	\$27.53	\$600.16		20
22/6/2020	Received Stock	Donations	Supplier S				20	
	Rain Coat Long			Each	\$39.00	\$39,100.00		100
22/6/2020	Received Stock		Supplier S				100	
07/08/2020	Pop Up Tents (White) 8x 4			Each				4
	Received Stock	Donation	Supplier GG				4	
07/08/2020	Pop Up Frames 8 x 4			Each				4
	Received Stock	Donation	Supplier GG				4	
07/08/2020								
	Received Stock	Donation	Supplier GG				3	
	Pop Up Tents (White) 6 x 3			Each				3
07/08/2020	Pop Up Frames 6 x 3			Each				3
	Received Stock	Donation	Supplier GG				3	
23/07/2020	Tuna Flakes			Each			48 x 50	2,400
	Received Stock	Donation	Supplier HH				48 x 50	
28.08.2020	Thermal Scanner			Each				3
	Received Stocks	Donations	Supplier R				3	
28.08.2020	Camera			Each				3
	Received Stocks	Donations	Supplier R				3	
28.08.2020	Black Body			Each				3
	Received Stocks	Donations	Supplier R				3	
28.08.2020	Laptop			Each				3
	Received Stocks	Donations	Supplier R				3	
28.08.2020	Tripod Stand			Each				6
	Received Stocks	Donations	Supplier R				6	
28.08.2020	New Life Oxygen Concentrator			Each				12
	Received Stocks	Donations	Supplier K				12	
1.09.2020	Detection Kits (RT-PCR)			CTN				12
	Received Stocks	Donations	Supplier GG				12	

Date	Item Description	Replenish Stock / Donations / Purchased	Supplier	Unit of Measurement	Unit Cost (\$)	Total Cost (\$)	Qty Received	Total Qty Received
Total						\$566,499.33		

Appendix 2 – Aid received at the Ministry of Supplier D – Items/Relief Supplies and Equipment for COVID-19 as at 25 August 2020

No.	Country/Development Partner	Items received	Qty	Remarks/Status
1.	AUSTRALIA			
	Donor A	1. Sanitol hand scrub	96 x 12 x 500ml	Facilitated by Fiji High Commission Canberra <i>Items landed in Fiji between 10-18 April 2020</i> <

No.	Country/Development Partner	Items received	Qty	Remarks/Status	
		10. *Masks	1250pcs	*Restricted. Awaiting clearance by Supplier Fn Govt	
3.	PEOPLE’S REPUBLIC OF CHINA				
	Donor E	1. Medical disposable protective clothing	1000 pcs	First Batch	
		2. Medical protective goggles	1000 pcs		
		3. Infrared Thermometer	100 pcs		
		4. Protective face mask for medical use/Surgical Mask	1000 pcs		
		5. Disposable sterilized rubber surgical gloves	500 pcs		
		6. Medical isolation shoe cover/Disposable footwear	500 pcs		
	Donor F	1. Disposal Medical mask	129000 pcs	Second Batch – arrived 25 May 2020. MOHMS to cross-check items 26/05 and confirm list	
		2. Protective clothing	1380 pcs		
		3. Detective gloves	5000 pairs		
		4. Protective shields	880 pcs		
		5. COVID test kit	20000 pics		
		6. Protective goggles	60 pairs		
		7. 75% hand sanitizer	(FCFA - 964 bottles) 776 x 100mL 188 x 500mL (Donation - 356 bottles) 288 x 100mL 68 x 500mL		
	Donor G	1. Masks	50,000	Third Batch.	
		2. Protective Gowns	50,000		
	Donor H	3. Masks	20,000	Received by Consul General in Shanghai	
	Donor I	COVID-19 test kits valued at FJ\$187,500	20,000		
	4.	THAILAND			
		Donor J	1. Gloves	40,000 pcs	Consignment arrived and transferred to Ministry of Health and Medical Services
5.	Supplier K				
		1. N95 Masks	8,900		
		2. COVID Test Kits			
		3. COVID Test Kits			
6.	WORLD HEALTH ORGANISATION				
	Donor K	1. RNA extraction kit	2		
		2. E-gene EAV kit	15		
		3. RdRP-gene kit	15		

No.	Country/Development Partner	Items received	Qty	Remarks/Status
		4. E-gene EAV kit	50	
		5. RdRP-gene kit	2	
		6. UTM kit	33 box	
	Donor L	1. SuperScript III Platinum 1-step Qrt-pcr KIT 100 RXN	8	
	Donor M	1. SuperScript III Platinum 1-step Qrt-pcr KIT 500 RXN	10	
	Donor M	1. x10 MicroAmp Optical 96 well reaction plates,	10	
		2. MicroAmp Optical 8-tubes strips, 0.2ml 125 strips	10	
		3. MicroAmp Optical 8 cap strips flat top (300 pieces)	15	
		4. Axygen Microtubes 1.7ml assorted (500/pack)	10	
7.	Donor N			Received at Fiji CDC 5th Aug 2020– and confirmed.
		BIS-BS040102AAA Covid-19 LOT 1, Item 6 PCR Master Mix Cabinet / hood with build in UV light		
		NEB-B1003S Covid-19 LOT 2, Item 1 100 mM magnesium sulfate solution		
		MAN-740955-250 Covid-19 LOT 2, Item 3, v3 Nucleo Spin RNA Virus Macherey Nagel columnbased extraction Kit for Viral RNA (250prep)		
		HTL-5602 Covid-19 LOT 2, Item 10 Adjustable pipettes; 0.5 - 10 µL		
		HTL-5607 Covid-19 LOT 2, Item 11 Adjustable pipettes; 10 - 50 µL		
		HTL-5605 Covid-19 LOT 2, Item 12 Adjustable pipettes; 50 - 200 µL		
		HTL-5606 Covid-19 LOT 2, Item 13 Adjustable pipettes; 200 - 1000 µL		
		CAP-5030060C Covid-19 LOT 2, Item 14 Filter tips for PCR; 10 µL;		

No.	Country/Development Partner	Items received	Qty	Remarks/Status
		Pack 10 racks x 96 tips (suitable with the pipettes)		
		CAP-5030090C Covid-19 LOT 2, Item 15 Filter tips for PCR; 200 µL; Pack 10 racks x 96 tips; (suitable with the pipettes)		
		CAP-5130150C Covid-19 LOT 2, Item 16 Filter tips for PCR; 1000 µL; Pack 10 racks x 96 tips; (suitable with the pipettes)		
		BIO-800500 + BIO-800015 Covid-19 LOT 2, Item 17 Microcentrifuge tubes (0.5ml and 1.5 ml)		
		BIO-883213 Covid-19 LOT 2, Item 23 General Long-Term Storage Cryogenic Tubes; Pack of 1000 pieces.		
		BIO-881151 Covid-19 LOT 2, Item 24 2.0ml Vials with 2D barcode on the bottom and on the side; Pack of 1000 pieces (red)		
		BIO-881152 Covid-19 LOT 2, Item 25 2.0ml Vials with 2D barcode on the bottom and on the side; Pack of 1000 pieces (green)		
		BIO-881153 Covid-19 LOT 2, Item 26 2.0ml Vials with 2D barcode on the bottom and on the side; Pack of 1000 pieces (blue)		
		BIO-881154 Covid-19 LOT 2, Item 27 2.0ml Vials with 2D barcode on the bottom and on the side; Pack of 1000 pieces (yellow)		
		BIO-980213 Covid-19 LOT 2, Item 28 Racks (10x10 tubes of 2 mL) for the 2.0ml Vials with 2D barcode on the bottom and on the side (red); Pack of 10 racks.		
		MEI-1286S Covid-19 LOT 2, Item 33, v3 nitrile gloves non powdered; S		

No.	Country/Development Partner	Items received	Qty	Remarks/Status
		MEI-1286M Covid-19 LOT 2, Item 33, v3 nitrile gloves non powdered; M		
		MEI-1286L Covid-19 LOT 2, Item 33, v3 nitrile gloves non powdered; L		
		MEI-1286XL Covid-19 LOT 2, Item 33, v3 nitrile gloves non powdered; XL		
		LIAB Covid-19 LOT 1, Item 3 v2 Thermo Cycler Real-Time PCR including software including Vortex/ Micro- centrifuge, Heating block, High-speed centrifuge, Laptop and Pipettes (Packed in suitcase)		Received 19 Aug 2020 DNA/RNA UV cleaner box
		DNA & RNA Oligonucleotides		Received 19 Aug 2020
8.	CORPORATIONS			
	Donor O	1. N95 masks	50,000 pcs	Donation came through PIFS for member countries
		2. Surgical gloves	10,000 pcs	
		3. Protective suits	2,000 pcs	
		4. Forehead thermometers	30 pcs	
		5. Face shields	200 pcs	
8.	Donor P	1. Protex Soap	100 boxes x 36 soa	



Micro, Small & Medium Enterprises Credit Guarantee Scheme

RESERVE BANK

Table of Contents

Acronyms	3
Executive Summary	4
1. Introduction.....	5
2. Subject Matter and scope	5
3. Audit Objective.....	7
4. Audit Criteria	7
5. Methodology	7
6. Audit Findings and Recommendations	8
6.1 <i>Eligibility for Payment on Guarantee</i>	8
6.2 <i>Business Turnover Eligibility</i>	11
6.3 <i>Effective Interest Rates</i>	14
7. Conclusion.....	16

Acronyms

Abbreviation	Meaning
COVID-19	Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.
MSME	Micro, Small and Medium Enterprises
FDB	Fijian Development Bank
CGS	Credit Guarantee Scheme
OAG	Office of the Auditor General
MSMECGS	Micro, Small and Medium Enterprises Credit Guarantee Scheme
RBF	Reserve Bank of Fiji
IFC	International Finance Corporation
ISSAI	International Standards of Supreme Audit Institutions
RIE	Request to Incur Expenditures
LCI	Licensed Credit Institution
SME	Small Medium Enterprises
SMECGS	Small Medium Enterprise Credit Guarantee Scheme

Executive Summary

The Office of the Auditor-General (OAG) carried out a compliance audit of Micro, Small and Medium Enterprises (MSMECGS) Credit Guarantee Scheme.

The primary objective of our audit was to obtain sufficient and appropriate evidence to form conclusion on whether the RBF has effective processes and controls to manage the MSME and ensure that only eligible MSME businesses benefit from the initiative of the scheme.

Our audit covered both the application process for credit guarantee cover and application process on claims on guarantee for loans registered by the Reserve bank of Fiji since the inception of the scheme in 2012 and was conducted based on the information and records provided by those charged with MSMECGS during the period the audit was undertaken.

We examined all the eighteen (18) approved claims payout totaling \$257,044.15 which were selected for testing based on the MSMECGS database listing as at 31 May 2020 which had 1,701 active loans registered with a total loan value \$103.9million. No new loans were registered for the period June to July 2020 under the new revised guidelines hence our audit did not carry out any testing under the MSMECGS Guidelines that was issued in May 2020. Instead, we used the Small and Medium Enterprises Credit Guarantee Scheme Guidelines (SMECGS) that was issued in May 2016. Moreover, majority of the loans had been de- registered from the scheme during the June/July 2020 period as well due to incorrect interest rate.

Significant findings identified from the audit include the following:

- Majority of the loans that had been registered since the inception of the scheme were not eligible to be covered and therefore have not complied with all the requirements of the SMECGS Guidelines 2016.
- A claim on guarantee of \$36,066.57 was approved and paid to the LCI 1 on 23 July 2018 even though the effective interest rate of loan was 14.13%, exceeding the interest rate threshold of 10%. The payment represents 14% of the total approved claims pay- out made since the inception of the scheme in 2012;
- The average annual turnover of some of the businesses whose loans were registered for cover under the scheme, since its inception in 2012, had exceeded the \$500,000 threshold hence it did not comply with the SMECGS guidelines; and
- A total of 1,223 active loans valued at \$67.5million that had been registered for guarantee cover from prior years were de-registered in June/July 2020 as the effective interest rate was above the 10% threshold. These loans related to LCI 1 and LCI 2 that were reporting the flat rate to the RBF instead of the effective interest rate charged which was higher than the interest rate threshold set for the scheme, hence were de-registered from the scheme.

The major cause for the deficiencies identified being above were due to absence of detailed review and verification process from RBF as it has relied heavily on the lending institutions for the correct submission of the data and information.

1. Introduction

The COVID-19 pandemic has significantly impacted all businesses, especially the (MSME). A business impact survey (“Survey”) carried out by the Ministry of Commerce, Trade, Tourism and Transport (“Ministry”) and International Finance Corporation (ICF) revealed that prior to the COVID-19 pandemic 1,404 business were stable with the ability to save and 811 businesses were experiencing growth. However, this has significantly changed, the Survey also revealed that 1,014 of the MSME businesses surveyed stated that their sales will decline by at least 75% and 447 businesses would be bankrupt should the current pandemic restrictions remain in place for the next six months.¹

Therefore, the Fiji Government has responded accordingly in an effort to promote and develop the local business industry and stimulate growth in the economy, it allocated funding through its COVID 19 response budget for the review of the MSME Credit Guarantee Scheme to encourage private sector lending to MSMEs.

The MSME Credit Guarantee Scheme was established by the Government in 2012 to help develop the local business industry, improve private sector lending by alleviating the requirement for high collateral, and stimulate economic growth. The MSME scheme has recently been expanded after the COVID-19 pandemic to include micro enterprises and the Government has provided a total funding of \$6.0 million as at 31 July 2020 and is administered by Reserve Bank of Fiji.

The OAG has undertaken the audit to evaluate the loans registered under the MSME Credit Guarantee Scheme is in compliance with the MSME Credit Guarantee Guidelines that was issued by the RBF.

We conducted this audit in accordance with International Standards of Supreme Audit Institutions (ISSAI 4000) on Compliance Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion based on our audit objective. Our audit included test of controls and compliance with the MSME Credit Guarantee Scheme Guidelines and any other related laws and regulations.

2. Subject Matter and scope

In an effort to promote and develop the local business industry and stimulate growth in the economy, the Government has allocated funds for the establishment of a (MSME) Credit Guarantee Scheme to encourage private sector lending to MSMEs. The MSME Credit Guarantee Scheme was established by the Government in 2012 to help develop the local business industry, improve private sector lending by alleviating the requirement for high collateral, and stimulate economic growth. Through a risk-sharing arrangement, the Government initially guaranteed 50 percent of the principal outstanding on defaulted SME loans up to a limit of \$50,000 per business with the maximum interest rate at 10 percent per annum.

The MSME scheme has been expanded during the COVID-19 pandemic to include micro enterprises, has a total funding allocation of \$6.0 million and is administered by RBF. At the end

¹ Micro, Small and Medium Enterprise Policy Framework dated 31/01/2020

of July 2020, a total of 478 active (SME) loans valued at \$34.6 million were registered under the scheme compared with 1,979 loans valued at \$112.5 million at the end of July 2019.

All MSME loans registered under the SMECGS Guidelines 2016 before 01 June 2020 were covered under previous guarantee cover of 50 percent of the defaulted principal outstanding amount up to a maximum of \$50,000 per individual business. Interest and other dues are not covered under the Scheme. To be eligible for a SMECGS claim, the interest rate on loans should not exceed 10 percent per annum.

Under the revised Scheme which was effective from June 1, 2020, Government will now guarantee 60 percent of the principal outstanding on defaulted MSME loans up to a limit of \$60,000 per business. In particular, to encourage women participation in business and support the development of rural areas and traditional sectors, Government will guarantee 75 percent of the principal outstanding on defaulted loans up to a limit of \$75,000 per business on all MSME loans to women entrepreneurs as well as to those involved in the agriculture, forestry and fisheries sectors.²

To be eligible for a claim, interest rates on MSME loans should not exceed 9.49 percent per annum. Loss claims under the Scheme will be assessed under the following categories:

- For MSME loans to women entrepreneurship, agriculture, forestry and fisheries sectors, the Scheme will cover 75 percent of the defaulted principal outstanding amount up to a maximum of \$75,000 per individual business; and
- For other MSME loans not included in the category above, the Scheme will cover 60 percent of the defaulted principal outstanding amount up to a maximum of \$60,000 per individual business.³

The MSME CGS guarantee cover is for new MSME loans approved from 01 June 2020 and is limited to the principal amount only. The MSMECGS covers lending to all sectors except for loans to Sugar Cane farmers and Government-subsidized businesses. The Scheme is expected to improve MSMEs access to finance by alleviating high collateral requirement and at the same time enable lending institutions to share part of the risk with Government. The Scheme does not cover lending that is not directly related to MSME operations such as property investment.

The Scheme is accessible through the commercial banks, licensed credit institutions and the Fiji Development Bank (FDB). Claims will be allocated on a first-in basis and the Reserve Bank will not levy any fees or charges for accessing funds under the Scheme. However, lending institutions are permitted to charge their respective advertised commercial fees.

The following is defined for the purpose of this scheme:

- A “micro enterprise” means any enterprise that has a turnover or total asset of less than \$50,000.
- A “small enterprise” means any enterprise that has a turnover or total asset between \$50,000 and \$300,000.
- A “medium enterprise” means any enterprise that has a turnover or total asset of above \$300,000 up to a maximum of \$1.25 million.

² Micro Small and Medium Enterprise Credit Guarantee Scheme Guidelines, s1

³ Micro Small and Medium Enterprise Credit Guarantee Scheme Guidelines, s4

The scope of this audit included review of those loans registered by the RBF to ensure that loans registered are in compliance to the (SMEGS) guidelines 2016. The audit also covered claims on guarantee paid over the years since the inception of the scheme in 2012 till 31 July 2020. This compliance audit was undertaken between August to September of 2020 with the RBF.

3. Audit Objective

The objective of our audit was to obtain sufficient and appropriate audit evidence to enable the Auditor-General to determine whether in all material aspects that the business processes and preventative controls surrounding the MSMECGS are adequate and effective to ensure that only eligible MSME businesses benefit from the initiative.

This is a standalone compliance audit carried out in accordance with ISSAI 4000 to enable the Auditor-General to form a conclusion on the above subject matter and will be a direct reporting engagement.

4. Audit Criteria

The audit criteria for this audit are primarily derived from the MSMECGS 2016 and related legislation. The 2020 revised guidelines for the scheme which came into effect from 01 June 2020 was not used as no loans had been registered under the new guidelines as at the date⁴ of audit.

5. Methodology

To accomplish the audit objective, we:

- I. Reviewed the guidelines, agreements and related laws applicable to the MSMECGS;
- II. Reviewed the monthly returns submitted by the banks and licensed credit institutions with the MSMECGS database maintained by the RBF Domestic Markets team;
- III. Reviewed key documents such as files for claims on guarantee, transaction history statements, related correspondences and other documents;
- IV. Interviewed key personnel at the RBF involved in the MSMECGS; and
- V. Reviewed payment voucher records at the Ministry of Economy including Ministerial approvals, Request to Incur Expenditure (RIES) approvals and related source documents.

In the process of information gathering we had meetings with the responsible officers at the RBF. We also discussed the results of our work during the course of the audit.

⁴ 30th September 2020

6. Audit Findings and Recommendations

An additional \$5million will be added to the small and medium enterprises credit guarantee scheme. Under the scheme, if any of the businesses with an outstanding guaranteed loan fail, the government has more resources to cover 60 per cent of their outstanding loans.⁵

The Minister may, in writing and without further appropriation than this Act, authorize the:

- transfer of any unspent amount in an appropriation category within a head of appropriation
- administered by a budget sector agency (other than a parliamentary body) to another; and
- appropriation category within that head of appropriation.⁶

The MSMECGS was established by the Government in 2012 to help develop the local business industry, improve private sector lending by alleviating the requirement for high collateral, and stimulate economic growth. The MSME scheme has been expanded during the COVID-19 pandemic to include micro enterprises and at the end of 31 July 2020, a total funding of \$6.0 million is being administered by RBF on behalf of Government.

Although the scheme was allocated a budgetary allocation of \$5million in the revised COVID-19 response budget, only \$2million was paid by Government during the financial year ending 31 July 2020. Our audit noted that the balance of \$3million from the approved budget was diverted for the MSME Concessional Fund Support Package.

6.1 Eligibility for Payment on Guarantee

Question No 1

Are there effective and adequate measures put in place by the RBF to ensure that payments for claims on guarantee are appropriately supported and made for only eligible MSME business loans?

To apply for a claim, the lending institution must provide evidence that:

- The loan has been in arrears for at least 120 days;
- All reasonable steps have been taken to recover the debt.

Written applications with information listed below should be emailed to the Reserve Bank:

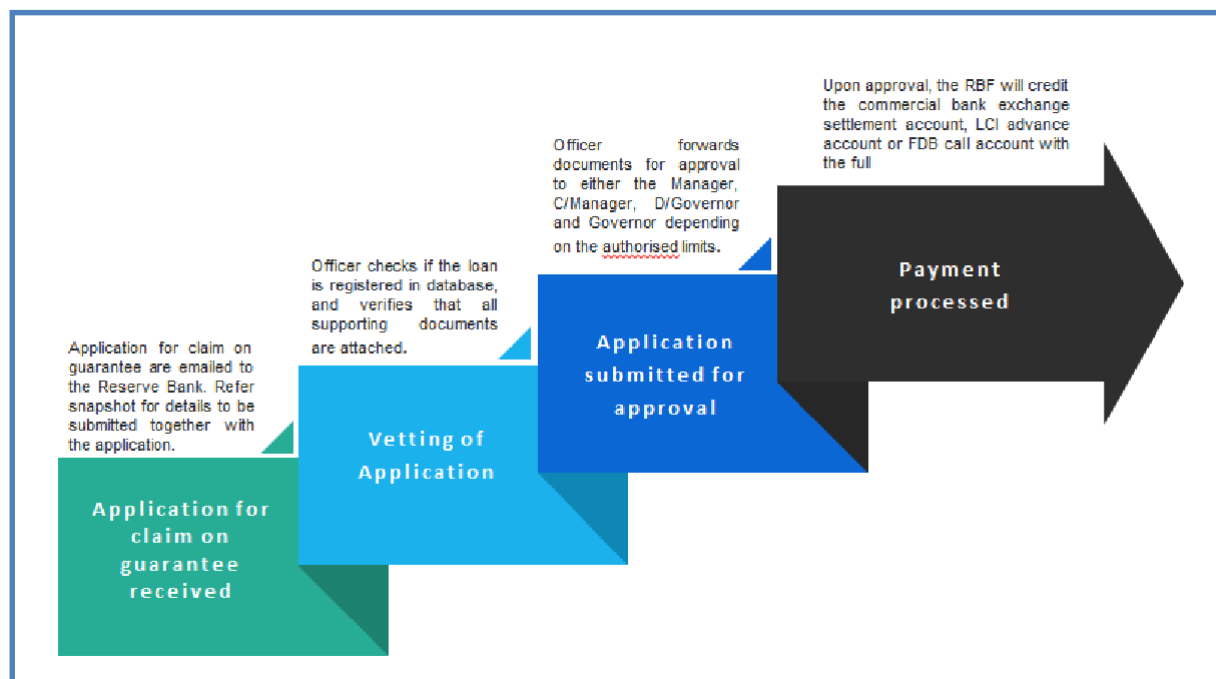
1. Details of the loan for which guarantee cover is being sought;
2. Background and nature of business;
3. Summary of assessment of loan at the beginning of the lending relationship;
4. Transaction History Statements;
5. Documentary evidence of attempts to recover loans; and
6. Confirmation that the loan has been booked as bad debts and/or non-performing loan.⁷

The application process for a claim on guarantee is illustrated by the diagram below;

⁵ Hon. Minister of Economy COVID 19 revised budget address.

⁶ Section 16 - Finance Management Act 2004.

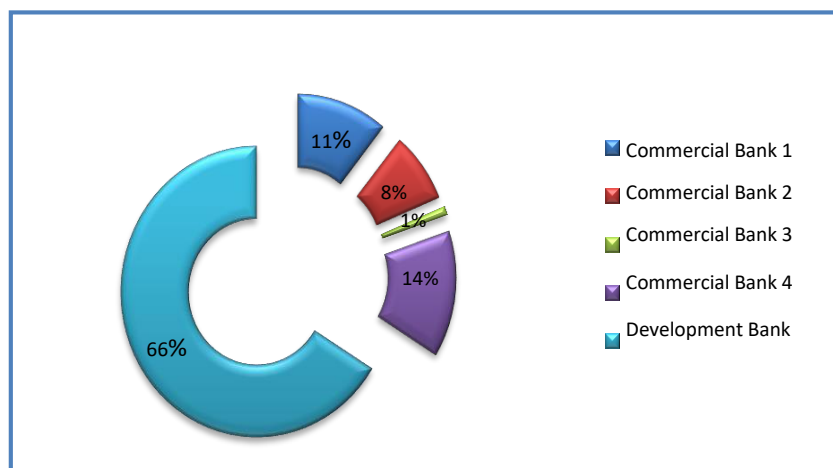
⁷ Section 8- SME Guidelines 2016.

Figure 6.1.1: RBF MSME Credit Guarantee Scheme Processes

As of 31 July, 2020, the Reserve Bank of Fiji has paid a total of 18 claims totaling \$257,044.15 to the various banks and licensed credit institutions. The analysis of payment made to each bank and licensed credit institution is illustrated below with the majority of the claims paid to the Development Bank representing 66% of the total payments made.

Table 6.1.1: Payouts By Institutions

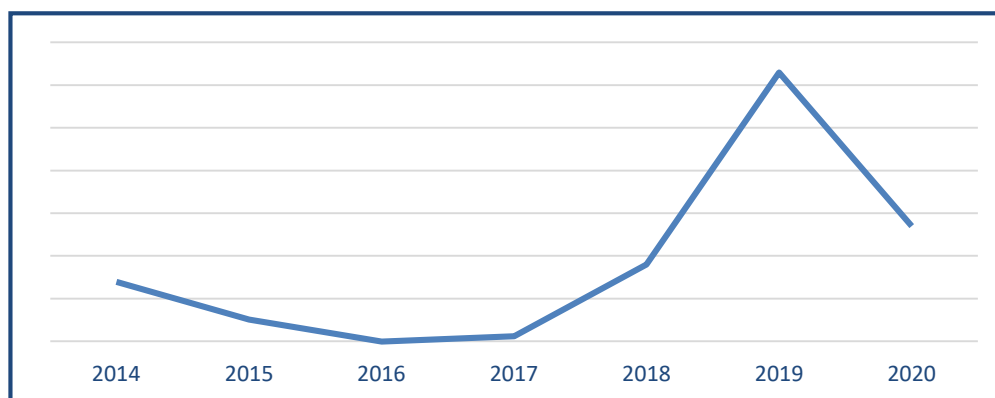
Lending Institution	Approved Payout by banks (\$)
Commercial Bank 1	28,000
Commercial Bank 2	20,348
Commercial Bank 3	2,546
Licensed Credit Institution 1	36,067
Development Bank	170,084
Total	257,044

Figure 6.1.2: Approved Payout by Credit Institutions

The first payment of guarantee claim was made in June 2014, two years after the inception of the scheme with generally minimal claims payout over the years which may indicate that the credit risk exposure for the Government is low in terms of sustainability of the scheme.

Refer to diagram below for the analysis of claims paid out annually.

Figure 6.1.3: Claims Paid Out Annually



We carried out a review of all the 18 payment of claims on guarantee made under the CGS and noted that one (1) payment was not compliant to the MSMECGS Guidelines. It was noted that the claim of \$36,066.57 paid to the Licensed Credit Institution 1 on 23 July 2018 even though the effective interest rate of loan was 14.13%, exceeding the interest rate threshold of 10%.

Discussions with the responsible officers at RBF noted that only the flat interest rate of 8% was reported to the RBF. Hence the claim was assessed based on that rate. This was the case for all loans as both the MSMEGS guidelines and the reporting template did not specify the interest rate to be declared resulting in the LCI reporting the flat rate over the past years.

The above finding denotes that required checks were not carried out effectively by the RBF to ensure that payments for claim on guarantee were made for only eligible MSME business loans. However, with effect from 01 June 2020, the RBF has revised its reporting template which captures the effective interest rate.

The RBF stated that out of 18 loss claim payments made during the period of the scheme only 1 claim has not met the requirements. The bank further advised that it is liaising with the lender, LCI 1 for the re-imbursement of the claim payment of \$36,066.57 and it will ensure that the full amount is refunded to the Government. Additionally, the bank confirmed that going forward, it will strengthen procedures and add checklists that reflect the updated guidelines.

Recommendations

The RBF should:

1. establish suitable guidance or checklists for staff on verifying that all guarantee claims submitted have met the conditions of the guidelines;
2. reinforce to staffs the importance of following established guidance and checklists for payments; and
3. take appropriate action against the LCI 1 for failing to declare the effective interest rate and submitting incorrect claims.

6.2 Business Turnover Eligibility

Question No 2

Are there effective and adequate measures put in place by the RBF to ensure that those loans covered are for only eligible MSME businesses with turnover below \$500,000 (before 01 June 2020) and \$1.25million (post 01 June 2020) are registered under the scheme?

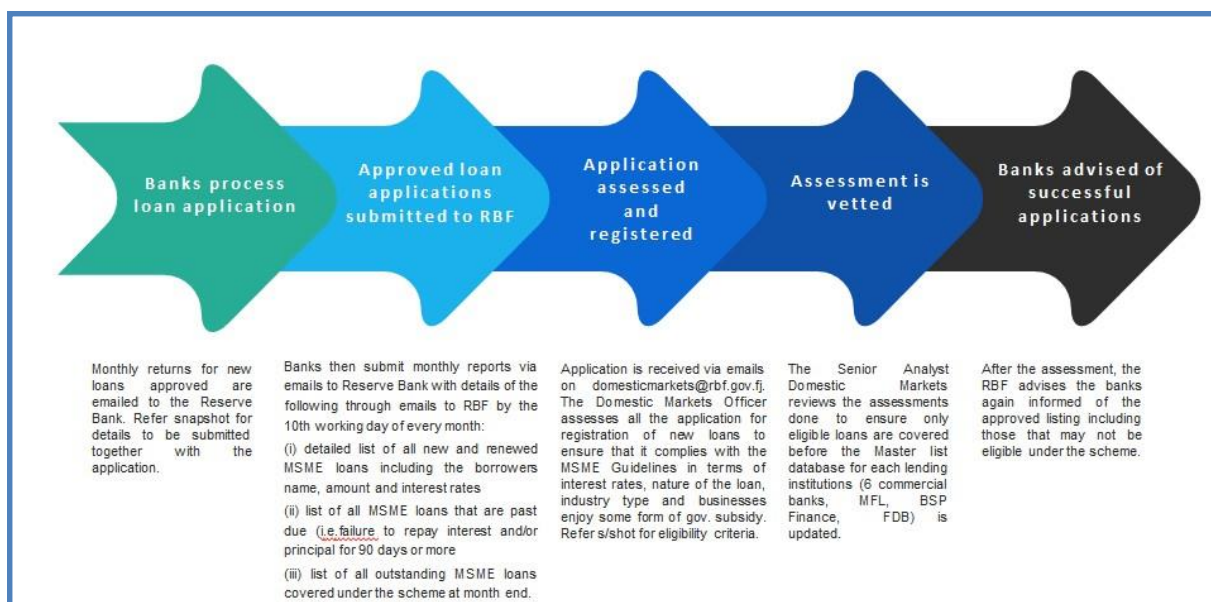
Since the inception of the scheme in 2012, the definition of a “**small enterprise**” means any enterprise that has a turnover or total asset between \$30,000 and \$100,000 and employs between 6 and 20 employees. A “**medium enterprise**” means any enterprise that has a turnover or total asset between \$100,000 and \$500,000 and employs between 21 and 50 employees. An “enterprise” means any going concern that trades in goods or services for profit.

However, following the COVID 19 pandemic and the review of the Scheme, the definition was revised effective from 01 June 2020 for the purposes of the Scheme as follows:

- A “**micro enterprise**” means any enterprise that has a turnover or total assets of less than \$50,000.
- A “**small enterprise**” means any enterprise that has a turnover or total assets between \$50,000 and \$300,000.
- A “**medium enterprise**” means any enterprise that has a turnover or total assets of above \$300,000 up to a maximum of \$1.25 million.⁸

The scheme is accessible through the commercial banks, LCI and the FDB and all new MSME loan facilities approved will be covered by the Scheme, subject to certain conditions. The application process for credit guarantee cover is depicted in the flow chart below:

Figure 6.2.1: Application Processes for Credit Guarantee Scheme



(Source: OAG Analysis of RBF Processes)

⁸ Micro Small and Medium Enterprise Credit Guarantee Scheme Guidelines, s2

Our review of loans registered under the Scheme noted that it was not a requirement under the old SMECGS reporting template for the commercial banks and LCI to disclose the annual turnover of the businesses when submitting their monthly returns to the RBF even though the annual turnover of business was a primary criterion for eligibility under the scheme.

As per the responsible officers at the RBF, the annual turnover was not part of the old SMECGS template because it was aligned to the MSME Quarterly returns in which it receives reports on the outstanding loan value and number of MSME loans but not the turnover. It is the responsibility of the banks and licensed credit institutions to ensure that their registered MSMECGS loans are aligned to the turnover criteria.

Subsequently, we carried out a review of active MSME loans registered prior to 01 June 2020 and noted that the average annual turnover of some of the business loans registered for cover under the scheme since its inception in 2012 had exceeded the \$500,000 thresholds for entities to qualify as a Medium Enterprise under the scheme. Refer to Table below for examples.

Table 6.2.1: Analysis of Registered Entities Annual Turnovers for the Year 2013-2019

TIN #	Annual Turnover (\$)							Average Turnover (\$)
	2013	2014	2015	2016	2017	2018	2019	
04 13396 0 6	399,445	563,791	397,263	1,184,778	2,174,496	1,619,420	453,221	970,345
14 19330 0 1	178,116	271,298	2,155,193	524,065	n/a	n/a	n/a	782,168
16 12864 0 6	104,577	435,069	645,133	201,445	607,661	935,377	n/a	488,210
16 21091 0 8	1,762,886	1,828,969	1,719,101	1,670,920	2,062,057	2,460,006	2,248,153	1,964,584
18 37171 0 0	47,925	77,278	63,942		953,565	1,664,849	814,198	603,626
50 04470 0 8	3,806,746	5,606,477	5,553,969	7,567,529	8,634,043	9,610,679	6,085,106	6,694,936
50 07983 0 6	1,160,557	1,298,292	1,738,923	1,921,754	2,117,619	2,296,490	1,932,156	1,780,827
50 09755 0 5	7,391,044	6,388,810	6,344,116	6,131,355	5,594,092	7,029,730	5,772,850	6,378,857
50 11814 0 6	1,604,967	1,074,986	959,527	2,432,422	827,399	683,615	1,046,447	1,232,766
50 12094 0 1	794,539	688,661	679,074	696,824	592,902	532,290	481,714	638,001
50 13463 0 8	675,293	1,202,434	1,225,747	2,230,559	2,308,963	2,573,595	1,041,464	1,608,294
50 13590 0 5	399,560	288,122	810,719	610,067	8,990,115	n/a	n/a	2,219,717
50 13643 0 2	5,713,323	6,503,400	7,316,204	8,769,416	11,363,508	12,370,232	9,489,488	8,789,367
50 14529 0 6	7,319,183	9,407,826	602,481	1,145,358	1,718,066	2,089,432	1,455,602	3,391,135
50 14645 0 9	3,310,225	1,475,163	2,770,324	3,659,178	3,370,512	3,280,973	1,724,088	2,798,638
50 15343 0 5	724,109	708,309	1,880,602	2,061,849	1,534,295	969,113	2,206,764	1,440,720
50 15518 0 3	558,805	609,908	620,374	638,111	671,330	625,671	462,021	598,031
50 15593 0 6	1,226,014	1,561,557	1,928,094	1,866,101	1,991,603	2,845,478	4,117,961	2,219,544
50 16567 0 6	541,924	511,380	541,738	812,882	753,670	675,585	451,720	612,700
50 17116 0 7	2,297,188	1,763,489	1,404,291	1,126,477	1,989,680	2,661,038	1,322,981	1,795,021
50 25577 0 9	348,401	184,092	549,014	236,003	115,776	378,483	n/a	301,961
50 34511 0 7	357,894	269,733	711,475	203,974	624,136	495,986	1,257,267	560,066
50 52950 0 4	n/a	n/a	271,096	637,175	1,339,403	2,324,455	896,269	1,093,679
50 54108 0 1	n/a	n/a	n/a	426,624	619,024	320,900	870,183	559,183
50 54736 0 6	n/a	n/a	n/a	n/a	836,786	1,819,403	1,078,678	1,244,956
50 55524 0 4	n/a	n/a	n/a	n/a	1,142,153	2,727,245	2,774,620	2,214,672
50 60666 0 5	114,042	852,034	1,313,277	701,781	1,147,554	1,717,830	1,518,453	1,052,139
50 85044 0 0	527,611	680,744	746,286	1,179,424	1,381,387	1,145,875	812,172	924,785
50 24482 0 1	870,803	1,410,632	2,852,251	4,152,777	4,452,555	3,132,551	n/a	2,811,928

The above finding may indicate that either the commercial banks and LCI have not carried out their due diligence checks effectively or the businesses have not provided the full or correct annual turnover information to their lenders during the loan application and assessment process.

This is further exacerbated by the lack of proper assessment of the monthly returns for new loans registered by the RBF before the loans are approved for cover as supporting documents are only requested when a claim on the guarantee is made.

Consequently, the loans to the above businesses were covered under the MSME credit guarantee scheme indicating that the measures put in place by the RBF to ensure that those loans covered are for only eligible MSME businesses with turnover below \$500,000 (before 01 June 2020) are not effectively monitored.

The RBF has revised its reporting template effective from 01 June 2020, the annual turnover is now a requirement under the new MSMECGS reporting template in line with the revised definition of MSMEs.

According to the RBF, it accepts information submitted for verification for claims since the lending institutions are supervised. The bank has indicated that it will take serious action on the lenders which are licensed financial institutions for any misstatement or omission of information or data which is submitted to the bank.

Furthermore, the bank has since issued a new reporting template for financial institutions to submit turnover data for their respective registered MSME business loans. Additionally, the bank now plans to carry out routine spot checks to verify information submitted by lending institutions to ensure compliance.

Recommendations

1. The RBF should strengthen its verification process and take a proactive approach in verifying the accuracy of the current annual turnover reported to ensure that it falls within the MSME turnover definition before the loans are registered for cover under the scheme; and
2. The RBF should also carry out an independent investigation against the relevant licensed credit institutions and take appropriate action against them, to prevent recurrence.

6.3 Effective Interest Rates

Question No 3

Are there effective and adequate measures put in place by the RBF to ensure that the effective interest rate for those loans covered under the scheme are below 10 percent (before 01 June 2020) and 9.49 percent (post 01 June 2020) are registered?

Effective from 1 January 2012, all new **small** and **medium** enterprise loan facilities approved by commercial banks, LCIs and the FDB will be covered by the Scheme, except for the following:

- Loans with interest rates above 10 percent;
- Businesses in the sugar industry; and
- Businesses that already enjoy some form of Government subsidy.

To be eligible for a SMECGS claim, interest rates on SME loans should not exceed 10 percent per annum. The above rate is subject to periodic review. RBF reserves the right to make changes in line with movements in market interest rates.

Effective from 01 June 2020, all new micro, small and medium enterprise loan facilities approved by commercial banks, LCIs and the FDB will be covered by the Scheme, except for the following:

- Loans with interest rates above 9.49 percent;
- Businesses in the sugar industry; and
- Businesses that already enjoy some form of Government subsidy.

To be eligible for a claim, interest rates on MSME loans should not exceed 9.49 percent per annum.

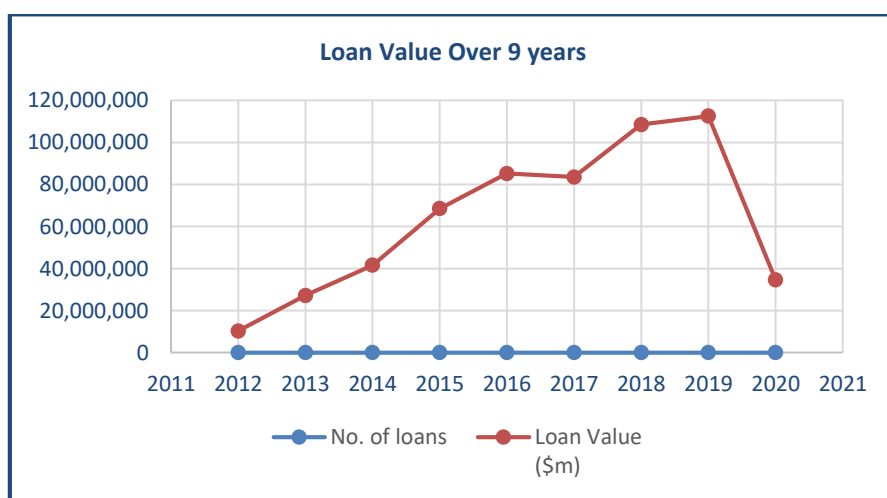
As of 31 July 2020, a total of 478 active small and medium enterprise loans valued at \$34.6million had been registered under the scheme by the RBF. This is a decrease of \$77.9million or 69% in loans value registered when compared to the total active loans registered for the year ending 31 July 2019 where a total of 1,979 active small and medium enterprise loans valued at \$112.5million were registered under the scheme. Refer to graph below for analysis since the inception of the scheme;

Table 6.3.1: Registered Loans

Year	No. of loans	Loan Value (\$m)	% increase/decrease
2012	187	10.3	
2013	460	27.2	164%
2014	708	41.6	53%
2015	1133	68.5	65%
2016	1444	85.2	24%
2017	1413	83.5	-2%
2018	1844	108.5	30%
2019	1,979	112.50	4%
2020	478	34.60	-69%

source - RBF Annual Report

Figure 6.3.1: Registered Loan Values from 2012 -2020



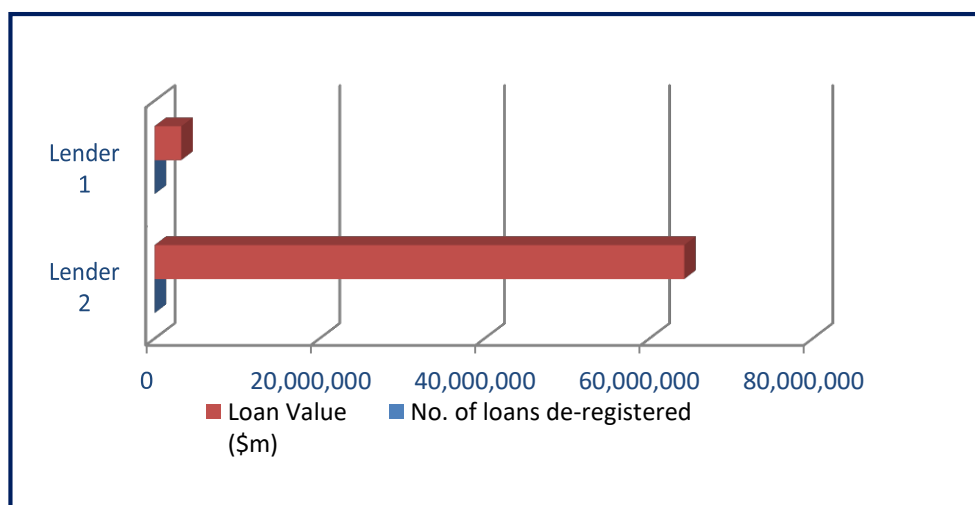
Review of the loans registered in the MSMEGS database during the audit revealed that majority of the loans registered under the scheme from prior years had an effective interest rate above the 10% interest rate threshold, therefore were not eligible to be covered under the scheme. These loans related to Commercial Bank 1 and LCI 1 that were reporting the flat rate to the RBF instead of the effective interest rate charged which was higher than the interest rate threshold set for the scheme.

Consequently, a total of 1,223 active loans valued at \$67.5million were de-registered by the RBF in July 2020 as the effective interest rate was above the 10% threshold. Refer to table below for analysis of loans that were de-registered.

Table 6.3.2: Details of De-registered Loans as at July 2020

Licensed Credit Institution	No. of loans de-registered	Loan Value (\$m)	%
Licensed Credit Institution 1 (Lender 1)	58	3.24	5%
Licensed Credit Institution 2 (Lender 2)	1,165	64.26	95%
Total	1,223	67.50	100%

Figure 6.3.2: Deregistered Loans as at July 2020



The above finding is attributed to the absence of clarity in the MSMECGS guidelines on the interest rate to be reported to the RBF and therefore the loans have been registered since 2016. Moreover, the old reporting template did not require the lending institutions to provide the effective interest rate for all active loans. In addition, regular checks were not being carried out by the Reserve to ensure that the effective interest rates used by the banks are below the interest rate threshold. The above finding denotes that current preventative controls in place are not adequate or sufficient to ensure that loans registered are in compliance to the MSMECGS guidelines.

To address the above, the RBF is in the process of obtaining explanations on the reasons for the use of flat rate instead of effective rate to register loans despite the earlier confirmations provided on the use of the effective interest rate. With the feedback from Lender 2, RBF will then determine the next course of action bearing in mind the severity of any negligence on their part against the

objective of the facility which is to encourage financial institutions to lend to these micro, small and medium businesses.

The RBF has also revised its reporting template effective from 01 June 2020, which has captured the effective interest rate.

The Bank has indicated that it will revise the MSME Credit Guarantee Scheme guidelines to ensure clarity on the use of interest rate.

Recommendations

1. The RBF should review its current guidelines to clearly specify the type of interest rate to be reported for MSMEGS reporting purposes;
2. The RBF should carry out its independent investigation against the relevant licensed credit institutions and take appropriate action to deter recurrence.

7. Conclusion

Overall, the MSME Credit Guarantee Scheme have not complied with the requirements of MSME Credit Guarantee Scheme Guidelines 2016.

The non-compliant was mainly due to design of the reporting template which does not require lending Institutions to report on business turnovers which exceeded the required threshold for most registered businesses.

Additionally, based on the evidence gathered during the audit it clearly shows that verification by the RBF was not comprehensively done to detect and report any non-compliance of the SME credit Guarantee Guideline. Instead, the RBF has relied heavily on the lending institutions for performing the required verification of the businesses assisted under the scheme which was subsequently determined as incorrect.

It is very encouraging to note that the RBF has taken quick and decisive action which has been acknowledged in this report. It is important that stringent action is taken against the institutions which provided incorrect information to the bank so that it acts a deterrent.



**MANAGEMENT OF AGRICULTURAL
ASSISTANCE-FARM RESPONSE
PACKAGE, HOME GARDENING SEED
PACKAGES AND IMPROVEMENT OF
FARM GENETIC ATTRIBUTES**

Table of Content

1.0	INTRODUCTION	3
2.0	SUMMARY OF AUDIT FINDINGS	3
3.0	AUDITING STANDARDS.....	3
4.0	SUBJECT MATTER AND SCOPE.....	4
5.0	AUDIT CRITERIA	4
6.0	EXPLANATION AND REASONING FOR THE METHOD USED	4
7.0	DETAILED AUDIT FINDINGS	4
7.1	Home Gardening and Farm Support Assistance	4
7.1.1	Absence of Standard Operating Procedures and Plans – Home Gardening and Farm Support Assistance	5
7.1.2	Short Delivery of Seedlings.....	6
7.1.3	Weak Control over the management of Planting Materials and Seedlings	7
7.1.4	Vetting and Assessment of Home Gardening and Farm Support Application	8
7.2	Large Commercial Farm Assistance.....	10
7.2.1	Short Supply of Dalo Suckers.....	10
7.2.2	Selection of Suppliers for Planting Material – Northern Division	10
8.0	Conclusion	12

1.0 INTRODUCTION

The Ministry of Agriculture (the Ministry) is responsible for the administration and delivery of the COVID-19 agricultural assistance to farmers and individuals meeting the eligibility criteria for home gardening, farm support and large commercial farming.

The Office of the Auditor General carried out a compliance audit to verify and assess that the Ministry has implemented the assistance with due regards to standard criteria and procedures developed by the Ministry to guide its operation on procurements, vetting and assessment of applicants and distribution of agricultural commodities.

A total of \$1 million was allocated by Parliament to the Ministry of Agriculture (MoA) as response to address Food Security, Agriculture Growth and Expansion Plan. The four major activities undertaken for under the COVID-19 response included:

- Home gardening supports
- Agricultural commercial support
- Farm support
- Abattoir upgrading

The audit was conducted based on the information and records provided by the Ministry during the period of audit. We examined the planning, procurement, vetting and selection of applicants and distribution for agricultural assistance.

2.0 SUMMARY OF AUDIT FINDINGS

Our review of the home gardening and farm support assistance noted that there was no standard operating procedure nor plan developed by the Ministry to guide the overall procurement, assessment and distribution of home gardening and farm support seed and seedling packages.

The absence of proper planning was evident as the Ministry had not performed any prior assessments to ascertain the divisions/areas that needed assistance for immediate relief from the impact of COVID-19.

Instances of short delivery of seeds, weak controls over the management of seedlings and farming equipment and engagement of unauthorized vendors for the supply of seedlings and farming materials were noted.

The detailed audit finding with recommendation are included in section 7 of this report.

3.0 AUDITING STANDARDS

We have conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI 4000) on General Auditing Guidelines for Compliance Audits.

4.0 SUBJECT MATTER AND SCOPE

The subject matter for this audit was to assess the Management of Agricultural Assistance –Farm Response Package, Home Gardening Seed Packages and Improvement of Farm Genetic Attributes for the COVID-19 budget agricultural assistance.

Through this audit, we examined whether the Ministry of Agriculture complied in all material aspects with the Agricultural Assistance COVID-19 procurement plan, assessment and verification processes and whether distribution of the assistance was coordinated effectively.

Our audit focussed on the assessment and verification of the COVID-19 agricultural assistance budget utilisation of \$942,637 for the period of April to July 2020.

5.0 AUDIT CRITERIA

The Ministry of Agriculture as a government agency must operate within an environment that is governed by legislation and policies. The criteria for the audit is based on planning documents, the procurement policy, waiver of tender policy and a few others as stated below.

- I. Finance Instructions 2011
- II. Procurement Policy 2010
- III. Advance Payment Policy 2013
- IV. Procurement Plans for Home Gardening, Farm Support and Commercial Support
- V. Vetting and Assessment Criteria for Home Gardening, Farm Support and Commercial support applications
- VI. Distribution Plan for Home Gardening, Farm Support and Commercial Support.
- VII. Agreement signed with seeds, seedlings and Planting Material Suppliers

6.0 EXPLANATION AND REASONING FOR THE METHOD USED

The compliance audit was undertaken to assess the accountability and transparency of the Ministry of Agriculture when implementing the assistance under the COVID-19 response budget.

Our audit was carried out to determine whether the objective of COVID-19 response budget has been achieved and that proper criteria were set and complied with by the Ministry of Agriculture when implementing the assistance.

7.0 DETAILED AUDIT FINDINGS

7.1 Home Gardening and Farm Support Assistance

The Ministry of Agriculture was allocated \$1million to bolster Fiji's food security in the 2019/2020 COVID-19 response budget.

The home gardening and farm support assistance constitute one of the three initiatives undertaken to assist in maintaining food security. The objective of the home gardening initiative was to assist the people that were affected by COVID-19 in urban and peri-urban areas through the provision of home gardening and farm support seed and seedling packages.

7.1.1 Absence of Standard Operating Procedures and Plans – Home Gardening and Farm Support Assistance

Having standard operating procedures and comprehensive plans is an integral part of achieving the objectives of programs and initiatives announced by Government.

The audit of the home gardening and farm support assistance noted that there was no standard operating procedure and plan developed by the Ministry to guide the overall procurement, assessment and distribution of home gardening and farm support seed and seedling packages.

The absence of proper planning was evident as the Ministry had not performed any prior assessment to ascertain the divisions/areas which needed assistance for immediate relief from the impact of COVID-19.

Based on the information provided by the Ministry on the distribution of planting materials, it is noted that households and farmers across the four divisions were assisted.

Table 7.1.1: Distribution of Planting Materials per Division – Home Gardening

<i>Division</i>	<i>Number of Households Assisted</i>
North	2,693
Central	23,930
Western	14,546
Eastern	1,133
TOTAL	42,302

Table 7.1.2: Distribution of Planting Materials per Division – Farm Support

<i>Division</i>	<i>Number of Farms Assisted</i>
North	203
Central	112
Western	210
Eastern	92
Total	617

Furthermore, we noted that the Ministry did not perform a feasibility study to ascertain the areas suitable for the seeds to effectively germinate. In addition, there was no assessment carried out to ascertain the right cluster of the population that needed immediate assistance.

The Ministry in its response to the above finding mentioned that Policy Guidelines and Standard Operating Procedure (SOP) for the Home Gardening and Farm Support Assistance has been developed which is in draft form. However, the draft policy and SOP, if it existed, was not provided for our review at the time of our audit on 01/10/20, hence could not be tested for compliance.

It seems that the Ministry commenced to develop Policy Guidelines and Standard Operating Procedure (SOP) after the issue was raised with the Ministry during our audit.

The Ministry has set a target date of 30 November 2020 to finalize the Policy Guidelines and Standard Operating Procedure (SOP). The Ministry further mentioned that improvements are being made to the policy and SOP in order to align to the operational requirements.

Recommendations

1. The Ministry should ensure that policies and standard operating procedure are in place to guide the future assistance coordinated by the Ministry.
2. The Ministry should also ensure that proper planning is undertaken in future to ensure that a more targeted approach is taken to roll-out assistance provided by government.

7.1.2 Short Delivery of Seedlings

Any delay by the supplier in delivering the item after the specified date of delivery entitles the client to deduct liquidated damages to the amount of \$20 per day for the number of days between the specified date of delivery and the actual date that the items are delivered. The parties agreed that the amount of liquidated damages is reasonable estimate of the loss suffered by the client for the late delivery of the items.¹

The Ministry of Agriculture requested Ministry of Economy (MoE) on 25 May 2020 for full advance payment to be made to the three engaged nurseries for the supply of seedlings which was approved by MoE on 26 May 2020 in accordance with section 6.2 clause (i) – (iv) of the Advance payment policy 2013.

The Ministry paid a total sum of \$118,000 as advance payment to the suppliers. Refer to the table below for breakdown of payments made to the suppliers.

Table 7.1.3: Procurement of Planting Material From The Three Nurseries

Crop	Quantity	Unit Cost (\$)	Amount (\$)
Papaya	80,000 pots	0.60	88,000
Eggplant	2000 trays	10	
Tomato	2000 trays	10	
Chilies	2000 trays	10	25,000
Bongo Chilies	500 trays	10	
Capsicum	500 trays	10	5,000
Total			118,000

Our audit of the supply of seedlings noted that seedling were short-supplied by two nurseries. Details of supply of seedlings by the two nurseries is tabulated below:

¹ Agreement for supply of vegetable seedlings between the Ministry of Agriculture and the three nurseries owners, signed on 3rd September, 2020., section 10

Table 7.1.4: The status² of supply of seedlings from the two engaged process.

No.	Nursery	Orders	Supplied As at 17 Nov 2020	Balance
1	Nursery A located in Nadi	Papaya 80,000 pots	20,000	60,000
2	Nursery B located in Nadi	Chilies 2500 Trays	700	1,800

The Ministry informed us that the supplier's delivery time was agreed to by both parties and was extended from 3 September 2020 till 30 November 2020. Surcharge will only apply if suppliers are in breach and not able to deliver by the said date. The Ministry on regular basis followed up with the suppliers and they are in the process for appropriate actions that will be taken should the supplier fail to deliver its obligation.

However, the Ministry may not be in a position to invoke the relevant provision of the contract agreement to deduct \$20 per day as damages for delay due to the fact that full advance payment has been made to the suppliers.

Recommendations

- The Ministry of Agriculture must ensure that the balance of the seedlings are supplied by the owners of the nursery so that the seeds are distributed to the affected areas as intended.**
- Should the nurseries fail to supply the balance of the seedlings, appropriate actions must be taken to recover the money paid including the cost for delay and damages.**

7.1.3 Weak Control over the management of Planting Materials and Seedlings

From our review of the controls for management of suppliers for planting materials and seedlings, we noted the following:

- Tally cards were not properly maintained to keep track of acquisition and distribution of planting materials and seedlings.

Hence the Ministry was unable to ascertain the actual quantity procured from respective suppliers, quantity distributed and quantity yet to be distributed.

- Seedlings were not procured from the suppliers which quoted the lowest price. In most cases, the seeds were procured from the supplier which quoted the highest price.

The Ministry agreed with the recommendation to implement the system of tally cards. In terms of the finding that seedlings were not procured from lowest price, the Ministry explained that after TC Harold and during the COVID-19 pandemic lockdown period, most of the suppliers who had quoted lowest price did not have the volume of seedlings required by the Ministry, thus the option

² As at 17/11/20

was to buy from the other suppliers who had the capacity to supply at that time, albeit not at the lowest price.

The Ministry further mentioned that other reason for not buying from the cheapest bidder includes the fact that by the time the funds was released, seedlings were no longer available with the bidders.

Recommendations

Based on comments provided by the Ministry, we recommend the following:

- 1. The Ministry should ensure that proper internal control mechanism are put in place to manage the procurement, recording and distribution of planting materials.**
- 2. The Ministry should document the reasons for not procuring goods and services from the lowest bidders and file with the payment vouchers. As a best practice, such documentation should be approved by the Permanent Secretary for Ministry of Agriculture.**

7.1.4 Vetting and Assessment of Home Gardening and Farm Support Application

The criteria for the home gardening and farm support assistance were as follows:

- Applicants must be a permanent resident;
- Applicants must have not less than 49 square meter land for urban and peri-urban communities and should have at least 0.25 acres of land for rural communities;
- Applicants must show willingness to commit to the initiative;
- Applications needs to be verified and endorsed by locality officer; and
- Type of assistance required will be entirely on planting material based on the following distribution:³
- The applicants must have ¼ acre of land and should have good farming lands.⁴

Audit review of home gardening and farm support assistance applications noted that applications were not adequately and thoroughly vetted before approvals were given. Most or all of the applications vetted were incomplete and did not meet all the requirements. The following issues were noted from a sample of applications reviewed:

Table 7.1.6: Anomalies Found in Application files

<i>Unfilled section of application</i>	<i>Risk Associated</i>
Agriculture station of lodging application was not filled	Applicants could easily manipulate the system and get assisted in another extension division of the Ministry.
Farmer Registration number were not issued	There is no reference point to track farmers in terms of ensuring farmers are not manipulating the system and getting assistance from more than one division.
Photo IDs of applicants were not attached	Personal Identity of applicants is not known and makes it hard to monitor the assistance.
Location of applicants were not included	The residential area of the applicant is not known as the assistance is mainly provided to urban and peri-urban dwellers.

³Criteria for Packages on Home Gardening for Coronavirus Preparedness

⁴Criteria for Farm Support Assistance

<i>Unfilled section of application</i>	<i>Risk Associated</i>
District, tikina and province of applicants were not included	The assistance is provided based on demarcation by district. Thus farmer's districts are not known and makes it hard to monitor the assistance.
Land type not filled	Makes it difficult to track if the right planting materials are provided in accordance with the right type of land.
Area of planting (home gardening) not filled	Farmers should have 49 square meter of land for urban dwellers and 0.25 acre of lands for rural communities and this was not established. Therefore, the Ministry cannot ascertain whether the recipients had the required land size for planting.
Area of planting (farm support assistance) not filled	Farmers should have ¼ acre of lands in order to get this assistance. Most farmers did not declare their land and planting area size while other farmers with less than 1/4 acre of land were also given the assistance. This makes it difficult to verify that farmers really deserve to be assisted under the required criteria.
The number of packages given to applicants was not revealed	There could be more than one packages of seeds given to applicants and this deprives other applicants of the assistance.
The recommendation from locality officer was not filled	Recommendation of approval was not made which made it difficult to determine whether the right kind of materials are given out in accordance with the need on the ground.
Approval of senior and principal agricultural officer was not filled.	This indicates that the Senior and Principal Agriculture Officer did not approve the applications.

The Ministry agreed with the audit finding and mentioned that going forward the Ministry will ensure that all data required as per application form is captured before releasing any assistance. In addition, discussions have been held on streamlining distribution flow to ensure speed for service is not compromised even in dealing with higher demand.

There is high risk that incomplete information provided by applicants may have created an opportunity for applicants to manipulate the system to be assisted more than once. There is also a risk of wastage of public funds through manipulation of assistance by applicants. In addition, genuine applicants may be deprived of government assistance while others may have benefited more than once.

Finally, the absence of important information of applicants makes it very difficult to monitor the impact of the assistance.

Recommendations

1. The Ministry should ensure that home gardening and farm support applications are completely filled and all applications submitted are attached with required documentation needed for thorough screening and assessment.
2. The Principal and Senior Agricultural Officer should clearly approve or decline applications based on fair assessments.

7.2 Large Commercial Farm Assistance

7.2.1 Short Supply of Dalo Suckers

Large commercial farm program was aimed at assisting large commercial farmers who have 1 hectare of land through distribution of planting materials and assorted seeds. The main objective of large commercial farm assistance was to ensure a secured Fiji with its food and nutritional security requirement and secondly to progressively expand agriculture to its full potential in raising our national income and become the leading export earner for the country.

Audit of the supply of dalo suckers for the large commercial farmers noted short-supply as tabulated below:

Table 7.2.1: Procurement From Suppliers For Tausala

Suppliers Name	Total Paid \$	Tausala Suckers Ordered (Pieces)	Balance As at 17 Nov 2020
Supplier 1	37,875	67,187	337
Supplier 2	48,000	120,000	13,300

The Ministry agreed with the audit finding and will ensure that the balance of the dalo suckers are delivered to the farmers by 30 November 2020.

There is great risk that the suppliers of dalo suckers would not be able to supply the remaining balance given that the suppliers have been fully paid.

Recommendations

1. The Ministry of Agriculture must ensure that the balance of the dalo suckers are supplied by the suppliers and these are distributed to the affected areas.
2. Should the suppliers fail to supply the balance of the suckers, appropriate actions must be taken to recover the money paid including the cost for delay damages.

7.2.2 Selection of Suppliers for Planting Material – Northern Division

A minimum of three competitive quotes must be obtained for the procurement of goods, services or works valued at \$100 and more but \$50,001 and less⁵

We noted that there was no analysis of quotations undertaken by the Ministry when procuring planting materials from farmers in the Northern Division. Details of procurement of dalo suckers from the Northern Division is as tabulated below:

⁵Procurement Regulations 2010, s 29(1)

Table 7.2.2: Procurement of Dalo Suckers without Obtaining Three Quotations

No	SR No	Particulars	Province/Division	Amount (VIP)
1	CVD 01/2020	Tausala Suckers	Taveuni	\$24,479.20
2	CVD 02/2020	Tausala Suckers		\$24,479.20
3	CVD 03/2020	Tausala Suckers		\$24,479.20
4	CVD 08/2020	Tausala Suckers	Bua	\$42,000
5	CVD 09/2020	Tausala Suckers		\$10,000
6	CVD 10/2020	Tausala Suckers		\$4,000
7	CVD 011/2020	Tausala Suckers		\$17,437.20

Therefore we could not ascertain if the suppliers of planting materials for the Northern Division were chosen in a transparent manner.

The Senior Agriculture Officer revealed that farmers were selected based on the Principal Agriculture Officer and Senior Agriculture Officer knowledge of the farmers ability to supply the planting materials.

The database for the northern division farmers, based on which selection was made, was not provided for our audit despite several requests.

The Ministry explained that due to limited timeframe available for implementation of the COVID-19 assistance and closing of accounts coinciding at the same time, the Ministry had to procure dalo planting material on the supplier's ability to supply and did not have the opportunity to carry out an Expression of Interest (EOI) which would have been a standard process in normal times.

The above could lead to personal bias in choosing suppliers of planting materials for the Northern division as there is no mechanism in place to ensure that value for money is obtained when procuring planting materials.

Recommendation

The Ministry of Agriculture should ensure that suppliers of farming material are selected based on an open and transparent manner with consideration given to the most economical supplier rather than selection based on personal judgment.

8.0 Conclusion

Overall, MoA has been able to implement the agricultural assistance program. However, the Ministry could further improve its implementation by ensuring that adequate planning is undertaken so that assistance are provided in an effective manner that complies with all the requirements of the acceptable criteria, procurement processes and regulations that govern the procurement, assessment and distribution of the assistance.



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

www.oag.gov.fj