STANDING COMMITTEE ON PUBLIC ACCOUNTS

Review of the Performance Audit Report on the Administrative and Management of the Bus Fare Assistance through E-Ticketing for School Children, Disabled and the Elderly

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CHAIRPERSON'S FOREWORD

I am pleased to present this review report on the performance audit on the Administrative and Management of the Bus Fare Assistance through E-Ticketing for the School Children, Disabled and the Elderly.

The Office of the Auditor General had conducted a performance audit to ascertain the efficiency and effectiveness of government's Bus Fare Assistance program through E-Ticketing for the school children, disabled and the elderly. Given the sustainable development objectives of the Fiji Government as prioritized in the National Development Plan, the provision of bus-fare assistance through e-ticketing is a government initiative targeted at providing and promoting 'quality education for all', ' social inclusion and empowerment', 'youth development' and 'women and gender equality'.

The Bus-fare assistance through e-ticketing to school children from low income families attempted to ensure that all school children have access to quality education. However, the scope of the audit did not cover the acquisition of the services of the e-ticketing provider.

The audit examined the various functional roles of the Ministry of Education and the Department of Social Welfare and how they managed the e-ticketing program. The audit also looked at the monitoring and reporting aspects of the program and how the information maintained by the e-ticketing service provider were scrutinized, analyzed and reported to the respective Ministries/Departments.

The Committee noted that a total of **88,579 students received transport assistance vouchers in 2009** when it started while **80,879 elderly and disabled persons received 50% concession voucher in 2011**. In 2017, the e-ticketing processes for bus fare was implemented and by **Term 3 of 2019, a total of 66,674 students** and about **51,444 senior citizens and persons with disability received e-transport cards to utilize e-ticketing**. The **elderly and disabled persons received full 100% assistance for their fare at the maximum value of $40 per month in 2018.**

The two Ministries that were scrutinized by the Committee were requested to forward their responses to the Committee due to COVID 19 restrictions that were in place at that time. The Committee deliberated using the Parliament virtual platform (Microsoft Teams), the written responses and formulated recommendations to address audit issues that were identified.

I wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of the bipartisan report namely Hon. Joseph Nand, Hon. Virendra Lal, Hon. Aseri Radrodro, and Hon. Ro Teimumu Kepa. Further, pursuant to Standing Order 115 (5), Hon. Adi Litia Qionibaravi stood in as an alternate member to Hon. Ratu Naiqama Lalabalavu and Hon. Mikaele Leawere who stood in as an alternate member to Hon. Aseri Radrodro.

On behalf of the Committee I also extend my appreciation to the Secretariat Staff for their timely support on research, liaisons with the two (2) Ministries and the compilation of this Report.

Hon. Alvick Avhikrit Maharaj
Chairperson

LIST OF ACRONYMS

ABBREVIATION	MEANING
ACP	Annual Corporate Plan
DSW	Department of Social Welfare
FRCS	Fiji Revenue and Customs Services
MEHA	Ministry of Education Heritage and Arts
MoE	Ministry of Economy
MOU	Memorandum of Understanding
MWCPA	Ministry of Women Children and Poverty Alleviation
M Paisa	E-ticketing service provider's Money Transfer Service
NDP	National Development Plan
PSEHA	Permanent Secretary For Education, Heritage and Arts
SDG	Sustainable Development Goals
SOP	Standard Operating Procedures
TAU	Transport Assistance Unit
VKB	Vola-Ni-Kawa Bula

COMMITTEE MEMBERS

Hon. Alvick Avhikrit Maharaj
(Chairperson)

Hon. Joseph Nitya Nand
(Deputy Chairperson)

Hon. Aseri Masivou Radrodro
(Opposition Member)

Hon. Ro Teimumu Kepa
(Opposition Member)

Hon. Virendra Lal
(Government Member)

INTRODUCTION

The Audit report on the performance audit on the Administrative and Management of the Bus Fare Assistance through E-Ticketing for the School Children, Disabled and the Elderly (PP. No. 71 of 2020) was tabled in Parliament on 31 July, 2020 sitting and referred to the Standing Committee on Public Accounts to scrutinize.

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

COMMITTEE PROCEDURE

The Committee conducted its meeting on virtual platform to review the Audit Report. The Committee sought formal clarifications from the Office of the Auditor General regarding updates on audit issues and the audit recommendations. The Ministry of Education, Heritage and Arts and the Ministry of Social Welfare were also requested to provide their responses on issues that were raised in the audit report.

Due to the COVID 19 restrictions, it is important to note that the usual face to face Committee proceedings with Ministries and Departments were not followed according to the Standing Orders 112 (1) (e). These Ministries and Departments were requested instead to provide written responses on audit issues that were identified.

COMMITTEE MEMBERS

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

1.   Hon. Alvick Avhikrit Maharaj, MP (Chairperson)
2.   Hon. Joseph Nitya Nand, MP (Deputy Chairperson)
3.   Hon. Virendra Lal, MP (Member)
4.   Hon. Ro Teimumu Kepa, MP (Member)
5.   Hon. Aseri Masivou Radrodro, MP (Member)

During a Committee meeting, the following membership arose pursuant to Standing Order 115 (5):

1.   Hon. Mikaele Leawere (Alternate Member for Hon. Aseri Masivou Radrodro)

BACKGROUND

The Bus Fare Assistance program through electronic ticketing was implemented in 2017 to assist school students from low income earning families to attend school, the elderly and the disabled to be able to travel when required.

The program was aligned to the 5 Year and 20 Year National Development Plan and the E-transport assistance was implemented to reduce the financial burden on parents who are unable to afford transportation costs while at the same time enable students to gain access to quality education and promoting equality and secondly to recognize the contribution of senior citizens and disable persons in the country and allow them to commute at an affordable rate and ensuring transport accessibility.

The current stakeholders directly involved in the Bus Fare assistance program are the Ministry of Education Heritage and Arts (MEHA), who administer and manage student's bus fare assistance and the Department of Social Welfare (DSW) of the Ministry of Women Children and Poverty Alleviation which administers and manages the elderly and disabled's bus fare assistance program. The external stakeholder is the sole service provider of e-ticketing service machines and top-up platforms. The relationship between the Department of Social Welfare and the e-ticketing service provider is founded in an undated agreement which stipulates the duties and responsibilities of each party. The Ministry of Education is yet to formulate a similar agreement with the e-ticketing service provider.

A total of 88,579 students received transport assistance vouchers in 2009 when it started while 80,879 elderly and disabled persons received 50% concession voucher in 2011. In 2017, the e-ticketing process for bus fare was implemented and by Term 3 of 2019, a total of 66,674 students and about 51,444 senior citizens and persons with disability received e-transport cards to utilise e-ticketing.

The elderly and disabled persons received full 100% assistance for their fare at the maximum value of $40 per month in 2018.

Students living in rural areas that have no bus services still use vouchers to travel on carrier, minibuses and punts. Public funds amounting to $100m have been spent over 3 years since the assistance was delivered through the e-ticketing platform in 2017.

The Bus Fare Assistance program through e-ticketing has sufficient mandate under the constitution to enable it to be functional and effective in providing the required assistance to deserving school children, elderly and persons with disabilities. However, we determined that policies and procedures implemented to support the Cabinet decisions are outdated and need to be reviewed as they were prepared for the voucher system before the e-ticketing system was introduced. Similarly, the absence of an agreement between the external e-ticketing service provider with the Ministry of Education and undated agreement between the external e-ticketing service provider and Department of Social Welfare needs to be rectified to ensure that the interests of government are adequately protected.

Anomalies were found given the poor internal controls including lack of monthly reconciliations of records between the two government agencies and the e-ticketing service provider. There is also a need to work towards mitigating risks identified which can cause overpayment. These include the risk of over-payment of assistance through excessive top-ups, school fares paid beyond the school zones, payment of assistance to

ineligible recipients, lack of declaration of interest by processing officers, and continued top-up of cards for deceased senior citizens. The risk of fraud for unused balances in cards also exists.

Generally, the system has been effective in providing bus fare assistance through the e-ticketing platform. However, utilisation of resources could be improved with an effective and accountable internal control system.

SUMMARY OF THE FINDINGS

Outlined below are the summary of the audit findings that were reviewed by the Committee on three (3) key audit focused areas:

1. Administration of the Program

- The Ministry of Education was yet to review its policy which was due for review in 2016 whilst the Department of Social Welfare was yet to develop a policy framework for e-transport services.mm

- The Ministry of Education were yet to review its Policy on Transport Assistance and Standard Operating Procedures (SOPs) to include the responsibility of the e-ticketing service provider to outline the reporting responsibility as required under the Electronic Fare Ticketing Act 2014. The SOPs that was prepared by the Department of Social Welfare were yet to be endorsed by the Permanent Secretary.

- There was no formal agreement (Service Level Agreement) between the Ministry of Education and the e-ticketing service provider.

- Review of the agreement between the Department of Social Welfare and the service provider highlighted gaps in the agreement that needs to be improved.

- Although complaints were recorded by the Units within the respective Ministry and Department, there was no clear process on the manner in which feedback was to be provided to the complainant.

- Policies and processes for declaration of conflict of interest for officers involved in the program had not been developed by the Ministry and Department to manage any conflicts.

2. Management of the Performance Bus Fare Assistance Program through e-Ticketing for school children, disabled and the elderly

- There had been an absence of acceptable data governance process where agreements are made to ensure that relevant information such as exception reports on the actual use of cards, travel patterns and behavior of eligible students were captured and monitored

- Regular reconciliation had not been carried out between the records kept by the Ministry and Department against the records kept by the e-ticketing service provider.

- The Department of Social Welfare did not have had any mechanism within its processes which related to exit of recipients from the bus fare assistance programs for senior citizens and persons living with disability.

- On the review of the Transport Assistance implemented for Senior Citizens and People with Disability, the Monitoring and Evaluation Team of the Department of Social Welfare made eight (8) recommendations as part of its evaluation of the program. As at May 2020, the Department had only addressed one recommendation.

- The OAG reviewed the MEHA internal audit report in May 2020 revealed six (6) findings that were related to the Bus Fare Assistance program. For example, inconsistencies were noted in the approval and rejection of applications on bus fare assistance provided on the zoning of students based on their residential address even though the head of school considerably monitored this limit. The TAU had worked towards implementing the recommendations made in respect of these issues.

- A significant number of anomalies were noted in the student bus fare assistance application process which needs to be addressed by the Policy on Transport Assistance.

3. Data Analytics

- Other forms of ID were also accepted by the e-ticketing service provider apart from the ID that was issued by the Department of Social Welfare.

- In some cases, there was more than one user for one active ID.

- Monthly loading on Exempt and Concession cards, in some cases, were more than the approved monthly amount of $40.

- There were also issues of funds being incorrectly transferred from one recipient ID to another.

- There were inconsistencies between the records maintained by the ticketing service provider and the Ministry of Education

KEY FINDINGS

The Committee reviewed the three (3) audit focused areas, namely the **Administration of the Program**, **Management of the Performance Bus Fare Assistance Program through e-Ticketing for school children, disabled and the elderly,** and the **Data Analytics**.

1.0   Administration of the Program

Theme 1: Legal and Policy Framework

Audit Observation

The constitution emphasizes the importance of education, equality and inclusiveness of people living with disability as a priority for social and economic development. The National Development Plan has been developed in alignment to the Sustainable Development Goals (SDG). Government initiative to assist the poor and those receiving social benefits has been further enhanced with the provision of transport assistance.

The processing of the transport assistance had been greatly improved with the introduction of e- ticketing in 2017 whereby recipients were issued electronic bus cards to access the assistance as compared to the use of vouchers between 2010 and early 2017.

The Policy on Transport Assistance for the MEHA which was approved in 2015 has not been reviewed. It was developed before the introduction of the e-ticketing system and still refers to processes dealing with the issue of vouchers to students.

In addition, the audit found that the DSW did not have any policy on the provision of transport assistance to the elderly and people with disabilities.

Neither MEHA nor DSW conducted any risk assessment when the bus fare assistance through externally provided e-ticketing system was implemented.

Criteria

A person with any disability has the right to reasonable adaptation of buildings, infrastructure, vehicles, working arrangements, rules, practices or procedures, to enable their full participation in society. Everyone has the right to education; including (a) early childhood education; (b) primary and secondary education; and (c) further education. The state must take reasonable measures within its available resources to achieve the progressive realisation of the right—(a) to free early childhood, primary, secondary and further education; and (b) to education for persons who were unable to complete their primary and secondary education.

A person with any disability has the right— (a) to reasonable access to all places, public transport and information; (b) to use sign language, braille or other appropriate means of communication; and (c) to reasonable access to necessary materials, substances and devices relating to the person's disability. (2) A person with any disability has the right to reasonable adaptation of buildings, infrastructure, vehicle, working arrangements, rules, practices or procedures, to enable their full participation in society and the effective realisation of their rights. (3) To the extent that it is necessary, a law or an administrative action taken under a law may limit, or may authorize the limitation of, the rights set out in this section.

A policy is a formal statement of a principle that should be followed in an organization. It is a written declaration of policy decisions which sets the direction or strategy for how the organization should approach and address something.

Risk Management is the systematic application of management policies, procedures and practices to the task of identifying, analyzing, assessing, treating and monitoring risk. It is not just about identifying risks, it is about learning to understand and weighing the level of risk or the criticality of the risk. Criticality is obtained by combining the likelihood of being exposed to a risk and the consequences of the risk. All section/unit heads shall be responsible for incorporating risk management into their standard management practices by identifying and determining appropriate actions to address operational and business continuity risks within their jurisdictions in accordance with MEHA policies and procedures. The MEHA shall recognise that risk management is an integral function of an effective service delivery and is not an isolated activity. All section/unit heads shall demonstrate a high level of awareness, acceptance and support risk management.

Evidence and its Analysis

The Cabinet in its special meeting held on 13th December 2009, approved the Ministry of Education's submission on the proposed Implementation Strategy of the Transport Assistance to Students. Cabinet agreed on the following:

- the criteria for eligibility to the transport assistance for students in 2010 as proposed under section 4.0 (A,B and C) of the memorandum; and

- the implementation strategy as proposed in section 5.0 and 6.0 of the memorandum.

Since the implementation of the Transport Assistance program in 2009, vouchers and coupons were the medium used to disburse the assistance when students board school buses, RSL carriers as well as the use of punts for school trips.

In 2017, government initiated and implemented a more robust and innovative means of disbursing the bus fare assistance through the electronic bus fare ticketing system. This was enabled though the Electronic Fare Ticketing Act 2014.

The Act requires the use of e-ticketing cards by all commuters which is to be swiped in all buses through e-ticketing machines. Electronic ticketing is limited to bus services only within areas that catch the telephone networks, students using RSL carriers and punt are still using vouchers and coupons till to date. Refer to the graph below for the chronological order of the bus fare assistance program.

Figure 3.1: Chronological order of Bus Fare Assistance programs

2009	• Start of Bus fare subsidy program for school student using coupons and voucher
2011	• Starting of 50% bus fare concession for elderly and free travel for people living with disabilities
November 2011	• Initial launching of e-ticketing system
October 2017	• Mandatory/ compulsory ticketing system for all passengers
October 2018	• Full concession on monthly allowance for elderly and people living with disability
7th April 2019	• Launch of e-ticketing kiosk for self top-ups at various bus stands and vodafone outlets
2019	• Continuation of the free e-ticketing services for school students, elderly and disable

In 2017, government enacted the Omnibus Electronic Fare Ticketing (Budget Amendment) Act 2017 which makes reference to the Electronic Fare Ticketing Act 2014 as the principal Act. The principal Act regulates the use of electronic cards by all citizens including subsidized students, nonsubsidized students, senior citizens and people living with disability.

The government's plan and actions are aligned and implemented in accordance to the Sustainable Development Goals; Goal 1 to reduce poverty, Goal 4 to provide quality education for all and Goal 10 to eliminate inequality.

Part 3.1.5 of the NDP emphasizes on the theme Quality Education for all. Quality education for all is essential to create a more skilled and adaptable workforce and create a knowledge based society. Further discussions state that with the free-education initiative, free bus fares and free textbooks, enrolment numbers have increased significantly. More teachers have been recruited, and continuous hiring of quality teachers will continue to improve the teacher to- student ratio for rural and urban areas.

Under the NDP Goals and Policies, Goal Number 2 emphasizes on ensuring every Fijian student has equal access to education at all levels including the provision of assistance towards students bus fare. The extract below from the NDP includes strategies such as continuation of free education initiatives and bus fare subsidy.

Table 3.1: National Development Plan Policy and Strategies on Equal access to Education

Policies	Strategies
Ensure every Fijian Student has equal access to education at all levels.	Continuation of free education initiative, bus fare subsidy, free textbooks, toppers scholarships and tertiary loan scheme.
	- Improve infrastructure, facilities and learning materials for all schools. - Timely provision of textbooks and building grants to schools. - Provision of access for the physically challenged students. - Updating of the Fiji Education Management Information System (FEMIS) to cover all aspects of school information. - Development of an e-library or virtual library for all citizens.

Source: Fiji NDP[12]

The NDP has annual targets and total expected output projected to be achieved under the bus fare assistance program over a 5 year plan.

This also includes annual targets for number of students to be assisted. In the NDP extract below, it was targeted to provide transport assistance to 88,579 students in 2017-2018 period and thereafter 90,000 students each year.

Table 3.2: National Development Plan annual targets and total expected projected output

Programme	Annual Targets					Total Output Expected	Lead Agency
	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022		
Quality Education							
Free bus fare scheme (No. of students assisted)	88,579	90,000	90,000	90,000	90,000	448,579	MEHA

Source: Fiji NDP[13]

Under part 3.1.7 of the NDP on Social inclusion and empowerment, the policy statement requires the promotion of a caring environment where everyone is safe and protected and its strategies include implementation, monitoring and review of legislations relating to the principles on the Convention on Rights of Older Persons and Convention on Rights of Persons with Disability and other relevant international instruments. The table below is an extract from the NDP Part 3.1.7 on Social Inclusion and Empowerment.

Table 3.3: Policy based on a Socially Inclusive Fiji

Goal: A socially inclusive Fiji and empowered Fijians.	
Policy	Strategies
Promote a caring environment where everyone is safe and protected.	• Strengthen data gathering for baseline studies and analyses of the needs of children, elderly, people with disabilities and assessments of poverty. • Review state social protection systems for the protection and care of vulnerable groups. • Review and, if needed, enhance education, employment, trade, fiscal and other government policies as they impact vulnerable groups and social empowerment programs. • Implement, monitor and review legislation relating to the principles and provisions of the Convention on the Rights of the Child, Convention on the Rights of Older Persons, Convention on the Rights of Persons with Disability and other relevant international instruments. • Encourage in-family support for the elderly.

Under the NDP's Social Inclusion and empowerment program, the following were discussed for the next 5 years commencing from 2017:

• Government will ensure that every Fijian is provided with the basic amenities of life.

• Social inclusion programs such as the poverty benefit scheme, welfare graduation programme and social pension scheme will be maintained.

• Targeted assistance will be provided to the vulnerable, including children living in poverty, children in orphanages and foster care, people with disabilities and special needs, and the elder.

A Risk Management Policy was approved in January 2015 by the Minister for Education to provide procedures and guidelines to all sections of the Ministry with a standard process to identify, analyse, evaluate, mitigate and monitor the key strategic and operational risks impacting on the MEHA's vision. The aim is to manage the risks involved in order to maximise opportunities and minimise negative outcomes.

With the delivery of the bus fare assistance to eligible students now transferred from the manual ticketing system onto the e- transport platform in 2017; the operating environment and risks have also changed not only at certain risks points within the Ministry/Department but also an entirely new basket of risks externally with the engagement and interaction of systems and procedures practised by the external e-ticketing service provider.

Discussions with the MEHA on 13 March 2020 revealed that the e-ticketing service provider had refined and revised its procedures when deficiencies in reporting were observed during the audit conduct phase in February 2020 for the last school term of 2017, school terms in 2018 and first two terms of the year 2019. By the last term of 2019, the e-ticketing service provider was able to provide an increased level of detailed reports when compared against those facilitated for preceding terms.

The Ministry of Education, Heritage and Arts also developed and implemented the Policy on Transport Assistance in 2015, which plays the dual role of systematic policy guidelines and standard operating procedures for the management of the student bus fare assistance program. The various roles of the officers involved in processing bus fare assistance are described in the policy, which include the role of school heads, transport assistance officers and the MEHA.

The Policy on Transport Assistance has a review timeline of one year. The first review which was due on 20th January 2016, has not been carried out. The policy therefore has not been updated although it is still being used by the Ministry for the management of bus fare assistance. Audit noted the following components which indicate that the policy needs to be updated:

The policy still recognises students whose parents earn below $15,600 as eligible students for bus fare assistance while new amendments in the bus fare assistance application has raised the threshold to $16,000.

The policy is predominantly voucher and coupon driven, it recognises them as primary transaction modes instead of the e-ticketing platform, hence deliberations based on e- ticketing platform was lacking.

The policy does not make provision for the proof of assessment made by the Transport Assistance Officer (TAO) to sign on the student bus fare applications after completing their assessment.

The audit noted that MEHA has not carried out any verification or independent confirmation of income declared by parents.

On the other hand, the Department of Social Welfare is yet to develop and implement a specific policy framework to guide the Bus fare Assistance program for the elderly and disabled. The department is using a draft standard operating procedure to guide the overall processing of applications, responsibilities of departmental staffs and the approving authorities.

Causes

The audit noted that the bus fare assistance program through e-ticketing was expeditiously implemented without proper planning and no proper assessments were done at the Ministry level. Therefore, the two units within MEHA and DSW that is responsible for the management of the bus fare assistance program through e-ticketing had a lot of work to do in implementing the program as the current practices were yet to be incorporated into the existing policy which facilitated the use of coupons and bus fare vouchers.

Risk assessment within the MEHA in particular by the Transport Assistance Unit was not undertaken to capture subsequent changes in the actual operations of the bus fare assistance. The change occurred when the delivery of the assistance was transferred from manual system to the e transport platform provided by the e-ticketing service provider.

The Policy on Transport Assistance was approved by the Minister for Education in January 2015 while the review date for the policy was 20th January 2016. The Policy on Transport Assistance was not reviewed nor was any risk assessment carried out to determine the risks associated with the provision of e-ticketing services by an external service provider.

Delay in review of the Policy on Transport Assistance to amend and update it with current changes was attributed to the absence of formulated review schedules by the MEHA management. Similarly, the absence of a policy framework at Department of Social Welfare is an oversight of the Department's

management whereas the draft SOP was designed to cover dual roles as a policy guideline and standard operating procedure.

Effect

The delay in review of the MEHA's Policy on Transport Assistance has adversely affected the smooth operation and management of the Bus Fare Assistance program as the policy still refers to the use of coupons and bus fare vouchers instead of e-transport cards. The two processes are quite different and an e-ticketing system is more complex as it also involves the engagement of an external e-service provider. The updated policy guidelines and procedure which is relevant and necessary to guide the operation is missing. On the same note there is absence of policy guideline to guide the Department of Social Welfare's operations, that outlines specific policy measures and cover areas of authority.

Given the lack of guidance and procedures to deal with the new e-ticketing system, both agencies did not carry out any checks on the operations of the external e-ticketing service provider. Reconciliations on the use of grants by recipients were also not carried out.

Good Practices

MEHA has commenced review of the Policy on Transport Assistance and were consulting their concerned stakeholders. The Ministry was targeting July 2020 for its approval and implementation. DSW has also committed to developing their policy which could be used as guidance for other assistance they provide.

Expected Benefit

A review of the TAU policy framework will ensure that relevant and appropriate guidelines are developed that supports the management and operation of the student's bus fare assistance program. Similarly, development of Department of Social Welfares' policy framework will ensure that policy measures, processes and procedures of the Department's bus fare assistance is properly governed in line with the government's objectives. Furthermore, the updating and review of the risk assessment for the TAU and DSW will enable them to identify gaps such as lack of guidelines and procedures and devise mitigation plans.

Theme 2: Standard Operating Procedure

Audit Observation

Standard Operating Procedures (SOPs) for bus fare assistance in the Ministry of Education and the Department of Social Welfare should be updated to prevent, detect and rectify unusual events that indicate unwarranted practices from the users of the assistance. In the case of Ministry of Education, there is no separate SOP. However, processes and procedures are incorporated within the Policy on Transport Assistance which is yet to be updated. The Department of Social Welfare has drafted a SOP but there is no clear indication as to when it would be finalized.

Criteria

A procedure provides detailed mandatory steps (sometimes in the form of a checklist) which can be followed to achieve a recurring task or comply with a policy. These can include step-by-step instructions or statements stating what needs to be done. A procedure informs employees how to carry out or implement a policy. Procedures usually contain written instructions in logical numbered steps and are also commonly known as SOPs in the public sector.

A solution provider must provide the:

- Ministry of Education with access to the data, including the reports generated from the data, on subsidized students; and

- Department of Social Welfare with access to the data, including the reports generated from the data, on subsidized senior citizens or persons with disabilities.

Subject to subsections (1), (2) and (3), solution providers must ensure that the data and reports:

- are accessed by authorized persons of the various organisations and that secure logins are provided for the access of such information; and
- include, but are not limited to the following –
- all classes of passenger details;
- all classes of passenger travel details and bus card usage;
- revenue and loading reports;
- loading statistics and reports;
- top up reports on all passengers;
- omnibus registration number and identification reports;
- blacklist and bus card status reports;
- reports of bus cards readers; and
- such other information as may be prescribed by Regulations.

Evidence and its Analysis

The Ministry of Education does not have a specific SOP for student bus fare assistance program. However, the Policy on Transport Assistance is used for its standard operating procedures. The policy was prepared to play a dual role as a policy guideline while also detailing procedures for the management and operation of the bus fare assistance program. Review of the Policy noted that it only deals with internal stakeholders and does not cover the role of the external stakeholder which is the e-ticketing services provider. This has led to the absence of reporting between the Ministry and the e-ticketing service provider as required under the Electronic Fare Ticketing Act 2014. This has resulted in differences between the records of the Ministry and the e-ticketing service provider as proper reconciliations were not done.

Review of the draft Standard Operating Procedures for the Department of Social Welfare indicated that the draft is yet to be finalized and endorsed.

Although the Electronic Fare Ticketing Act 2014 enables the Ministry/Department to request for other reports in addition to those provided by the e-ticketing service provider, these provisions have not been applied.

Causes

A specific SOP for student's bus fare assistance program was not prepared as the Policy on Transport Assistance includes detailed standard operating procedures that the Ministry is referring to for the management of the program. Furthermore, the management of the Department of Social Welfare has not endorsed the draft SOP for bus fare assistance.

Effect

The non-revision of SOP/TAU policy to include external stakeholders have resulted in non-fulfillment of obligatory engagement with the e-ticketing service provider to provide exception reports and issues pertaining to management of student bus fare assistance program. On the same note the non-endorsement of the Department of Social Welfare's SOP increases the risks of non- compliance that can hold the Department accountable for any mismanagement in providing social welfare services.

Good Practices

The Ministry of Education had informed audit that a review was currently being undertaken for the Policy on Transport Assistance and the Ministry was in the process of consulting with stakeholders. The Ministry also mentioned that it has drafted its Standard Operating Procedures for transport assistance. The revised Standard Operating Procedure will include requesting the e-ticketing service provider to provide detailed reports for each month including exception reports as requested by MEHA. The Ministry is targeting the end of July 2020 for the policies to be approved and implemented. A copy of the draft Policy on Transport Assistance and draft Standard Operation Procedures was provided to audit.

Expected Benefit

Having policies and procedures that are up-to-date and aligned to applicable legislation would ensure consistency in application and remove any confusion or bias. This will assist the Ministry of Education and Department of Social Welfare in educating the target recipients of the assistance and expectations from other stakeholders including the e-ticketing service provider.

Theme 3: Service Agreement between Ministry of Education Heritage and Arts and E-Ticketing Service Provider for Students Fare

Audit Observation

Contract agreement plays an important role because it is useful in assigning the terms and conditions of services which is to be provided by the contracted party. It was noted during our audit that since the start of the program, the Ministry of Education, Heritage and Arts (MEHA) still does not have any agreement with the external e-ticketing service provider for the bus fare assistance scheme for eligible school students.

Criteria

A written contract or agreement must be entered into with the approved bidder for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement.

Evidence and its Analysis

After enquiring with the TAU of Ministry of Education, Heritage and Arts, it was revealed that no formal agreement exists between the Ministry and the e-ticketing service provider for the delivery of the Bus Fare Assistance Program to eligible students. During the last quarter of 2017 calendar year, the e-ticketing card system was expeditiously implemented. The policy on bus fare assistance for school students was also not amended to cater for the change in method of providing the assistance from coupon and vouchers to e-ticketing cards. Similarly, internal control mechanisms for the new e-ticketing system were not developed. The Ministry continued to place total reliance on the system of the external e-ticketing service provider to distribute the assistance to beneficiaries.

Causes

Limited consultation and poor project management can be attributed for the oversight of failing to sign agreements with vendors especially for the IT related matters.

Effects

The absence of an agreement between the Ministry of Education Heritage and Arts and the e- ticketing service provider will make it difficult to create, identify, outline and agree on roles and responsibilities of the two parties. When these have not been clearly done, unrealistic expectations and misunderstandings can arise.

Good Practices

The Ministry of Education informed audit that they were in the process of drafting an agreement from the point of view of the Ministry and would consult their stakeholders with the e-ticketing service provider being the main stakeholder. We were also informed that the responsibilities of both the e-ticketing service provider and the Ministry will be clearly outlined in the agreement which will be aligned to the revised Policy on Transport Assistance and the Standard Operating Procedures Audit was provided with a draft copy of the revised Policy on Transport Assistance, draft Standard Operating Procedures and the draft Memorandum of Understanding between the Ministry and the e-ticketing service provider at the time of the audit.

Expected Benefits

The benefits of having an agreement are as follows:

- Provides effective communication and good record keeping.

- Serves as a guide for duties to be performed by concerned parties. It will provide a clear understanding of what is expected from each other.

- Clearly demarcates line of duties and terms and conditions between the two parties

Theme 4: E-ticketing Agreement for the Department of Social Welfare

Audit Observation

The contract agreement that was signed did not contain the date on which it was signed even though the Department of Social Welfare entered into an agreement with the e-ticketing service provider for the bus fare assistance program for the elderlies and persons living with disability. The agreement is yet to be renewed for extension after expiry in October 2019. The agreement plays an important role because it is useful in assigning the terms and conditions of services which is to be provided by the contracted party. The agreement also provides other details such as duration of the contract, the services which is to be rendered and other relevant factors.

Criteria

A written contract or agreement must be entered into with the approved bidder for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement.

Clause 2 of the agreement read as follows:

TERM

Initial Term

- The initial term of this agreement commences on the Commencement Date and continues for an initial term of 12 months ('Initial Month').

Extension of Initial Contract

The Government may extend the Term:

- Until October 2018 by giving written notice to the Supplier at
- any time before the end of the initial Term; or
- to such other date as agreed between the parties.

In the Bus fare Assistance e-Ticketing agreement, the supplier agrees that the supplier will send automated senior citizen and persons with disabilities card usage reports on a particular day of the month (as nominated by the Government).

Evidence and its Analysis

It is commendable that as part of its socially responsible goals, the e-ticketing service provider has been providing the e-ticketing platform to carry out its duty to facilitate movement for senior citizens and persons living with disability.

The Permanent Secretary for Women, Children and Poverty Alleviation signed the agreement with the Chief Operating Officer and the Company Secretary of the external e-ticketing service provider to enable the provision of bus fare assistance through e-ticketing to the elderlies and persons with disabilities.

Review of the agreement noted that it does not specify the date on which the agreement was signed by the two parties. Instead the agreement specified the commencement month as October 2018 for a period of 12 months with no date clearly identified. As at the date of the audit27, it was noted that the agreement has not been renewed after expiring in October 2019.

Even though the contract has provision in clause 3.1 for the Ministry to request and be provided reports in the manner it requires for its monitoring and evaluations, the Ministry has not submitted its request on reports for monitoring and evaluations each month.

Causes

Having monitoring and evaluation function in a system is an important component of good governance and it assists in improving the system. Incomplete and ambiguous agreements pose a high risk that conditions within the agreements would not be fully complied with.

The agreement in relation to DSW was not properly checked by the signatories as the commencement and end date for the contract was not clearly stated.

Effects

Not having a specific date under the signature will make it difficult to determine the exact date the agreement became effective ("effective date"). The absence of a particular date on the commencement date section will make it difficult to identify when the obligations of the e- ticketing service provider commences. Not extending

the contract in writing can end up creating misunderstanding between the parties as resources dedicated from either parties to the program can change over a certain period of time.

Provision of services without an agreement is risky as there is no binding agreement for the service provider to continue with the provision of the service.

Good Practice

The DSW has commenced the review of the agreement and is using the audit findings to improve its management of the system. Acceptance of the audit finding by the DSW management is a positive step towards improving the administration and management of the Bus Fare Assistance program.

Expected Benefit

Including critical dates in agreements can assist the Ministry to better manage the services provided. Obtaining reports every month will strengthen monitoring and evaluation of the program and also reduce risks of fraud and misappropriation.

Theme 5: Management of Feedback and Complaints

Audit Observation

Both the MEHA and DSW keep records of complaints from the general public including comments received in relation to any issues they experienced or observed. However, there is no documented procedure on the manner the complaints would be managed by the two agencies and response provided to the complainant on any actions taken.

Criteria

The immediate priority is to ensure effective, efficient and accountable delivery of Ministry and Department outputs, i.e. the delivery of public services and implementation of public programmes and projects under the 5-year and 20 year National Development Plan and measuring national development targets, which are aligned to regional and international indicators like the SDGs.

The objective of bus fare concession cards is to assist senior citizens and disabled persons in their travel when using bus as their mode of transport.29 Government is committed to providing an accountable and transparent service as such all the social welfare clients have the right to enquire about their cases.

Therefore, in the execution of the audit service delivery, whether through telephones, e-mails, fax, letters, minutes, and or face to face, MEHA officers shall strive to offer excellent customer services that are friendly, efficient and accurate at all times. During 2019 and 2020, MEHA will establish School Support Hubs and District School Support Centres. These will focus on improving support services to schools, rather than having administrative and control function. MEHA provides the structures, human resources, budgets, and administrative and management support to ensure that the quality of service delivery is maintained at a high level.

Evidence and its Analysis

Although complaints were recorded by the Units within MEHA and DSW, there was no procedure available to address on how to deal with the complainant up to providing feedback to complainants.

Although the policy has dedicated two paragraphs on complaints, outline of the procedures on how to process each complaint has not been documented. Therefore, it was not clear as to what role each player plays from head of schools to District Education Officer before moving the issue through the TAU Unit. There was no feedback or survey done to assess how the Unit had performed with respect to handing complaints from its users.

The DSW should maintain a book for recording of any issues or complaints with respect to any feature of the program that the general public wishes to raise. However, there was no evidence to indicate that actions were taken on the compliant and feedback was provided to the complainants. We were also not able to determine if any survey was carried out to determine the efficiency and effectiveness of the complaints system. DSW also indicated that most complaints are made through telephone calls or they show up at their office.

Causes

Proper care in handling complaints and feedbacks from the point of receiving, recording through to resolving them has not been exercised by either Units in the two Ministries.

Lack of documented procedures or SOPs to deal with complaints is an indication on the priority of customer care and service in both agencies.

Another contributing factor highlighted by the DSW is absence of an IT system which can automate its critical processes in order to improve service delivery. Apart from the accounting function, all processing in DSW is carried out manually. No budget has been provided for the acquisition of a computerized system.

Effects

Customer satisfaction can diminish if their concerns are not handled properly and timely feedback is not provided. There is a high possibility that critical operational matters affecting customers are not identified and rectified.

Good Practices

The MEHA informed the audit that there is a section in the revised draft Policy on Transport Assistance titled "Complaints on Transport Assistance" which incorporates the engagement of customers and outlines details relating to handling of complaints and providing feedback to improve services. This was to be aligned to the draft Standard Operating Procedures. The revised draft Policy on Transport Assistance and draft Standard Operating Procedures was provided to audit.

Expected Benefit

An effective feedback system helps to identify opportunities for valuable engagement by providing means to allow their users to create insights and facilitate views from sources outside of the two Ministries. At the same time helps civil servants better understand the needs of students, senior citizens and people with disability.

A computerized data base will greatly improve automation of the many manual processes currently done which would also greatly enhance and improve the services provided by MEHA and DSW.

Theme 6: Conflict of Interests

Audit Observation

The audit did not find any documentary evidence to confirm that officers of both MEHA and DSW that are engaged in the delivery of the program had declared any conflict of interest that may exist or which can compromise the public service values and their roles and responsibilities when providing services to the targeted beneficiaries.

Criteria

The values and principles of State Service include:

1. high standards of professionalism, including professional ethics and integrity;
2. being free from corruption;
3. efficient, effective and economic use of public resources;
4. prompt response to requests and questions from the public, and delivery of service to the public, in a manner that is respectful, effective, impartial, fair, and equitable;
5. accountability for administrative conduct;

Evidence and its Analysis

Upholding integrity and values in public service is crucial. Especially for staffs of both the MEHA and DSW as they are officials serving the public, the vulnerable and weak. Dealing with government assistance also has risks such as fraud which needs to be carefully managed and mitigated.

2.0 MANAGEMENT OF THE PERFORMANCE OF THE PROGRAM

This part of the report focuses on the actual delivery of the program through the efforts and actual work carried out by the respective Units within the MEHA and DSW. Accordingly, issues discussed forthwith are identified with how the assistance has been delivered.

Theme 1: Reports from the E-Ticketing Service Provider

Audit Observation

The Audit Team noted in the reports provided by both the MEHA and DSW from the e-ticketing service provider for audit review was not of the desired quality (including various formats) of reports as required under Section 19 of the Electronic Fare Ticketing Act 2014. It was noted that MEHA has not received any exception reports from the e-ticketing service provider to be included as part of the 23 monthly reports since the bus fare program was transferred over to the e-transport platform in October 2017. Similar observation was also noted for the Department of Social Welfare where monthly reports provided for senior citizens and people with disability only stated the amount loaded into each card for each month.

Criteria

A solution provider must provide the:

- Ministry of Education with access to the data, including the reports generated from the data, on subsidized students; and

- Department of Social Welfare with access to the data, including the reports generated from the data, on subsidised senior citizens or persons with disabilities. Subject to Section 19, subsections (1), (2) and (3) solution providers must ensure that the data and reports:

- are accessed by authorized persons of the various organisations and that secure logins are provided for the access of such information; and include, but are not limited to the following:

    o all classes of passenger details;
    o all classes of passenger travel details and bus card usage;
    o revenue and loading reports;
    o loading statistics and reports;
    o top up reports on all passengers;
    o omnibus registration number and identification reports;
    o blacklist and bus card status reports;
    o reports of bus card readers;
    o such other information as may be prescribed by Regulations.

Under Output 1 of the Annual Corporate Plan for 2017-2018, the Ministry of Education had identified monthly reports on students receiving bus fare assistance as one of its sub output.

The contract agreement provides the following clause which states the obligation of the e- ticketing service provider:

(i) properly advise its officers, employees, agents and contractors regarding the requirements for transactions utilizing the senior citizens and persons with disabilities fare subsidies and ensure that these requirements are followed;

(ii) exercise all reasonable care and skill in the performance of its obligations under

(iii) this agreement and comply with all relevant laws and regulations in the conduct of its business;

(iv) notify the Government immediately of any malfunction or discrepancies in the use

(v) of the senior citizen and persons with disabilities fare subsidy services or any suspicious transaction activity

Data Governance is the exercise of decision making and authority for data-related matters. It is a system of decision right and accountabilities for information related processed, executed according to agree upon models which describes who can take what actions with what information and under what circumstances using what methods.

Evidence and its Analysis

Review of reports received by TAU on 11 December 2019 revealed that the e-ticketing service provider did not provide any exception reports on the actual use of blue student cards to indicate travel behaviour patterns and of each eligible student. MEHA also did not request for any such report. Table 4.1 provides the types of reports generated for each month since November 2017.

Table 4.1: Monthly reports provided to MEHA and DSW by the E-Ticketing Service Provider

Month	MEHA	Dept. of Social Welfare	Month	MEHA	Dept. of Social Welfare
Nov-17	No	No			
Jan-18	No	No	Jan-19	No	No
Feb-18	No	No	Feb-19	No	No
Mar-18	No	No	Mar-19	No	No
Apr-18	No	No	Apr-19	No	No
May-18	No	No	May-19	No	No
Jun-18	No	No	Jun-19	No	No
Jul-18	No	No	Jul-19	No	No
Aug-18	No	No	Aug-19	No	Amount loaded for each card
Sep-18	No	No	Sep-19	No	Amount loaded for each card
Oct-18	No	No	Oct-19	No	Amount loaded for each card
Nov-18	No	No	Nov-19	No	Amount loaded for each card

Review of reports provided by DSW indicated that only the amount loaded into each card for that particular month was shown. The report did not indicate the amount used; the amount redeemed and the balance available for each card throughout the 23 months since the commencement of the e-ticketing mode of assistance.

Causes

There have been no clear guidelines on the types of reports to be provided by the e-ticketing service provider to MEHA and DSW since the program delivery was transferred to the e-transport platform in October 2017. Furthermore, the MEHA did not develop Standard Operating Procedures to guide the Unit when working with reports provided by the e-ticketing service provider.

As a result of reports not being provided, regular reconciliation was not carried out by the funding agencies on the transfer of funds by the e-ticketing service provider to beneficiaries of the e- ticketing Bus Fare Assistance program.

Effects

Independent analysis and verification have not been made by the Ministry on the payments and top up of cards by the e-ticketing service provider. Any difference that may arise between records of each user kept by the e-ticketing service provider and that of each Ministry has not been identified and rectified. Therefore there is a high risk of fraud, errors and omissions in the payments made to the e-ticketing service provider.

Data analytics carried out during audit confirmed that in some instances the loaded amounts were more than the maximum approved limit. There was continuous acceptance of a wide range of identification cards for applications with more than one active card having references to the same identification. Section 5 of this report, under Themes 1 and 2 comprehensively details these findings with respect to differences noted when comparing data sets amongst the e-ticketing service provider and those of the two Ministries.

Good Practices

As at the time of the audit SOPs were still being developed by the MEHA and DSW.

It was noted that the DSW45 had just started to receive detailed reports from the e-ticketing service provider including cards that have been blocked as well as those that have duplicates. In addition, the Department have now been provided access for funds tracking.

The Ministry of Education had informed audit that reports from the e-ticketing service provider will be incorporated in the draft Service Level Agreement. This section of the agreement is aligned to the revised draft Policy on Transport Assistance and the draft Standard Operating Procedures whereby the type of reports to be provided by the e-ticketing service provider will be clearly outlined. This was in draft stages as consultations with the e-ticketing service provider were yet to be undertaken. A copy of the draft Policy on Transport Assistance and draft Standard Operating Procedures was provided to audit.47

Expected Benefit

The clear understanding and communication of reports expected or required by the Ministry/Department and the e-ticketing service provider would be beneficial for monitoring, analyzing and reconciling of data for quality feedback to management to assist in decision-making. For example, having a Service Level Agreement would improve data governance, processes for data quality practitioners to establish procedures for data quality control, which enables the identification of emerging data issues and the workflows for remediation.

Theme 2: Regular Monthly Reconciliation

Audit Observation

The audit noted that regular reconciliations have not been carried out by the MEHA to reconcile its records against the records kept by the e-ticketing service provider through its electronic fund transfer payment platform. Similarly, the DSW did not reconcile funds used against the funds that have been loaded into each card including the balances available in each card.

Criteria

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 unfavourable audit reports.

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

Evidence and its Analysis

Enquiries carried out during audit with the Senior Accounts Officer revealed that reconciliation has not been carried out between the records kept by MEHA and the e-ticketing service provider since Nov 2017 till end of Term 1 for 2020.

The e-ticketing service provider has facilitated the Ministry with an electronic fund transfer system which allows the Ministry to keep track of the funds which have been disbursed to the students.

Although the electronic fund transfer system allows the Ministry to extract data relating to assistance provided in excel format there has been no periodical summarized statement at each month or end of each term from which reconciliation could be carried out.

Since the assistance was offered through the e-transport platform in 2017, no reconciliation has been carried out by the DSW with respect to 5144452 records to compare against the records maintained by the e-ticketing service provider.

Causes

There have been no Standard Operating Procedures approved by the MEHA to guide the officers within the TAU Unit when receiving, evaluating and monitoring reports received from the e- ticketing service provider.

The Department of Social Welfare is yet to appoint someone as the reconciliation officer to carry out reconciliation for the program.

Effects

In the absence of regular reconciliations, the MEHA and DSW would not be able to proactively identify differences in the use of funds beyond conditions that have been approved. For instance, MEHA and DSW will not be able to trace the use of funds that takes place when each card is used after 5pm or before 6am for school children or higher than average use of cards for each elderly citizen.

Good Practices

The MEHA had informed audit that requirements for monthly reconciliation is now incorporated in the Standard Operation Procedures which is currently in draft stages and will be implemented once it is approved. A copy of the draft Policy on Transport Assistance and draft Standard Operating Procedures was provided to audit.

Expected Benefit

Proper reconciliation procedures would ensure that there is better awareness on the part of staffs who manage or administer the program. There would also be better management of funds including control on funds used to enable prudent accounting of public funds for students and elderly together with people with disability.

Theme 3: Initial Listing of Eligible Students

Audit Observation

There was no evidence to indicate during our audit that proper independent verification was carried out on the income of parents for students who have been assisted under the Bus Fare Assistance program either at the Ministry or school levels.

Criteria

All students whose parents' combined salary or income of $16,000 and below are eligible to apply for assistance.

Evidence and its Analysis

The TAU did not have any documentary evidence that supports the assistance provided to each student in the listing of beneficiaries. It was noted that these are kept at respective schools with the school head teachers.

The approval given by schools was based primarily on the submissions and declarations of students and parents about family income. No independent verification of income is carried out.

A review of application forms kept by two schools had been discussed in detail under Theme 8: Student Bus Fare Concession Application Process.

Causes

There were no established procedures in place to confirm the combined annual income of parents prior to approving applications under the program. Supporting documents indicated the level of income earned submitted together with the application forms at school level are not independently verified with a third party. These include salary slips and statutory declarations.

Effects

The lack of independent checks on declared income by parents at school level increases the risk of misuse of the assistance under the program by students whose parents have a combined income that is more than the approved threshold.

Good Practices

The Audit team was informed that the IT Unit of MEHA has commenced discussion with Fiji Revenue and Customs Services (FRCS) to verify the household income eligibility of parents for students assisted under the program. The Ministry has also reviewed its transport assistance application form which now has new provisions whereby the TIN of parents/guardian is to be filled in order to facilitate the data sharing and verification process with FRCS. In the absence of TIN, a signed statutory declaration form will act as a confirmation of income. A copy of the revised transport assistance application form was provided to audit.

Expected Benefit

An effective verification process would enable the Ministry to properly justify the listing for all the students that were assisted through the program. This would ensure value for money as the assistance was only provided to those students that really need the assistance. Such controls would also reduce the risk of abuse of the program.

Theme 4: Exit by Elderly from the Bus Fare Concession Card

Audit Observation

E-ticketing bus cards for elderlies and disabled persons are topped up with $40 credit every month. However, the audit noted that the current process did not have any control mechanism in place to stop direct reimbursement of e-ticketing bus cards for beneficiaries when they are deceased.

Criteria

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

Evidence and its Analysis

The DSW did not have any procedure or guideline to cease reimbursement of e-transport cards for senior citizens and people living with disabilities when they are deceased.

Discussions held with the Senior System Analyst and Assistant Director revealed that currently there are no agreements with the Registrar of Births, Deaths and Marriages. This will make it difficult to keep track of deceased beneficiaries who are assisted under the program.

In the absence of such controls, there is a high risk of assistance being continued to be provided to deceased beneficiaries which can also encourage persons who have access to the bus cards to continue to use the assistance provided without being detected resulting in wastage of funds.

Good Practices

The MWCPA59 on 28 April 2020 revealed the need for life certification of elderlies that are still living. The Director of Social Welfare highlighted that the total registration included those living in the rural and maritime areas hence these members present a challenge when trying to classify those that are not active as no longer needing the assistance. There were some cards that are not frequently used as they would not be using the e-transport cards. Whilst verification of these beneficiaries could be carried out at village levels through the Turaga-ni-Koro, communication challenges have been identified by the department as an obstacle for this process. However, this can be rectified if the department liaises through the i-Taukei Affairs Board which deals directly with all provinces and Turaga-ni-Koro.

Since exception reports could now be provided by the e-ticketing service provider, genuine applicants who continue to live would find the time and resources to visit the Department and confirm themselves as they are still able to travel and make use of the transport assistance. The department was considering a time frame of five years as the periodical cycle for life certification of current beneficiaries.

Causes

Adequate resources for the program in terms of personnel have not been approved thus hindering the DSW's ability to carry out proper exit of senior citizens from the program. Due to the high pace in which the program was implemented, the Department had gone straight to providing the bus fare assistance program so that it could facilitate the beneficiaries through the bus cards.

Effects

Not having proper procedures and controls for the exit from the bus fare assistance program will make it difficult to track e-cards which is not required to be in circulation and can lead to wastage of taxpayer funds. In addition, funds can be unnecessary held in the accounts of deceased beneficiaries.

Expected Benefit

Having an agreement with the Registrar of Births, Deaths and Marriages to advise the DSW upon the death of a recipient will help track those cards which are not supposed to be in circulation. Proper management of accounts of deceased recipients will reduce wastage of funds due to abuse or non-utilization of the assistance provided under the program.

Theme 5: Review of Transport Assistance Implementation for Senior Citizens and People with Disability

Audit Observation

Out of the eight recommendations made by its Monitoring and Evaluation Team, DSW has implemented only one recommendation with the remaining seven yet to be firmly resolved.

Criteria

The findings of the survey and the positive responses supports the continued use of the bus fare assistance program being implemented with tighter controls, enforcement, proper checks and balance in place with regular monitoring and evaluation.

Evidence and its Analysis

As part of its annual action to improve the implementation of the program, the Department of Social Welfare produced a report prepared by its Monitoring and Evaluation Team in 2018. The report made eight recommendations as follows:

(i)   After comparing the two data sets, it has been noted that both sets are not reconciling, there seems to be more cases registered with DSW as compared to the payment list submitted by the e-ticketing service provider, a difference of 17,412 cases. This is quite a significant number so attempts must be made to find out the reason for these inactive cases because these numbers will continue to distort the figures, not giving the accurate picture of those actually assisted under this program.

(ii)   On the same note strategies must be developed and reviews conducted to identify those recipients that have passed away so that cases can be closed in the system.

(iii) In regards to the different ID cards used in the issuance of the electronic bus fare cards, the only valid ID card to be used is the one issued by the Department, which is a photo ID with yellow colour for elderly and red for disabled persons. The e-ticketing service provider must ensure that their entire staffs issuing the electronic cards are made aware of this requirement.

(iv)   For ease of reconciliation, the e-ticketing service provider to provide the Department of Social Welfare with the monthly top up list, however, prior to that they must ensure that the data is updated and cleaned before submission.

(v)   Beneficiaries should produce their Social Welfare Bus Fare ID cards when using the bus services. This will need to be discussed with the relevant stakeholders.

(vi) In regards to the information relayed by LTA on the abuse of the system, there is a need for the Committee to be setup to look into this. This will comprise of relevant stakeholders to monitor the progress of this program, likewise, develop strategies to minimize the abuse of the system. Committee to include MWCPA, Fiji Bus Operators Association, LTA & e-ticketing service provider. The committee to meet on a monthly basis and then phase out into a quarterly meeting. The committee to have a Terms of Reference (TOR) for better management and validation of processes.

(vii) Due to the volume of information that needs to be reconciled, a dedicated officer is required to be appointed to carry out these monthly data reconciliations.

(viii) Cards need to have expiry date and photo identification.

The Department has positively addressed the third recommendation with remaining seven recommendations representing work in progress and yet to be completed. No specific date has been set for full implementation of recommendations. Feedback from the Department to each of the above is as follows:

- The e-ticketing service provider is only updating active cards.
- The MWCPA data is accumulated from 2011 and are yet to conduct consistent reviews and termination of especially deceased cases.
- There may also be applications that had met the eligibility criteria cases and had obtained the cards. However, they are unable to use it in the Maritime areas or just keeping it as a form of ID.
- Ministry rarely receives information specifically on the deceased cases under this program. One of the strategies as highlighted by the district offices is to check against the list of deceased cases for other programs like Social Pension Scheme.
- The e-ticketing service provider has informed all its stores to use the MWCPA Bus fare ID cards to generate the electronic card for the recipients under this program.
- The e-ticketing service provider provides the list of cards topped up on the 1st day of the month. Further discussions will be held to obtain the list of all cards topped up during the month.
- It was highlighted in one of the meetings with Land Transport Authority and yet to be discussed with the Fiji Bus Operators Association.
- Committee yet to be established.
- Officer to work on reconciliation yet to be appointed.
- Card expiry with photograph is yet to be discussed with the relevant stakeholders.

Causes

There had been no thorough evaluation of the program in its implementation phase to ensure that an all-inclusive impact of the program is captured given limited economic resources.

Effects

An absence of a thorough review would result in the following:

- Compromises accountability and the department's commitment to improving its services to the senior citizens and people with disability.
- Contribute to lack of actions on current opportunities to improve workflow in providing services to the senior citizens and people with disability.
- Leads to the inability to identify and work on actions in its operations that provides the most value to its clients and is not realistic (creating superficial approach given the program objectives and its limited resources i.e. budgetary allocations).

- The Department would not be able to identify areas of learning which would in turn be applied to any of its current or upcoming programmes.

Good Practices

The MWCPA is working closely with the e-ticketing service provider and Land Transport Authority to deliver this program efficiently and effectively. The MWCPA ensures that only eligible applications are approved. The e-ticketing service provider issues e-transport card using the MWCPA bus fare ID card and the LTA team conduct spot checks and confiscate cards that are used by those that are not eligible to receive it.

Expected Benefits

Having a review would bring about improvements in accountability and strengthen the Departments commitment to improving its services to senior citizens and persons with disability.

Theme 6: Review of the Students Bus Fare Assistance

Audit Observation

The audit noted that the Transport Assistance Unit was yet to take appropriate action on the findings of the Internal Audit team of the MEHA for assistance provided under the Transport Assistance Program.

Criteria

Each month, the Accounting Head must provide a signed and dated report to the Permanent Secretary to advise the current status of any unresolved external or internal audit issues. Accounting Heads muse ensure all officers of the agency who are responsible for particular controls are aware of their responsibilities, including the need for managers to regularly rotate duties between staffs to a maximum of 3 years, where practical, to minimise and detect the possibility of fraud. These internal checks must be made in addition to any that are carried out by internal audit.

Evidence and its Analysis

A review of the draft Internal Audit report covering the year 2018 to Quarter 3 of 2019 revealed that six out of the 12 findings were related to the use of cards.

They are listed as follows:

1) Abuse of e ticket cards.
2) Control of subsidised cards.
3) Staff establishment.
4) Risk of loading ineligible students at input stage.
5) Proper documentation at input loading stage with schools.
6) Clear articulation of eligible conditions.

Update from the TAU revealed the following actions taken to address the above findings:

1) A 15-minute interval before second tap from the same card is allowed.
2) Limiting time when cards could be used term wise to term dates and daily from 6am to 5pm.
3) New TAU organization structure has been approved but a copy was yet to be provided for audit review.
4) Currently with Head of respective school.

5) Currently with Head of respective school.
6) Ministry has signed a MOU with FRCS but a copy was yet to be provided to audit.

The report also focused on safety of transport but there were no reports for certain trips where bus with students inside has been involved in accidents.

Causes

The findings of the Internal Audit team have not been given due consideration by the management of MEHA.

Effects

Risk and control exposures highlighted in the report prepared by the Internal Audit team have not been addressed by the management of MEHA which can lead to wastage of funds and continued abuse of the program.

Good Practices

The audit was informed that the Ministry was currently reviewing and drafting its Policy on Transport Assistance, Standard Operating Procedures and Service Agreement with the e-ticketing service provider. The Ministry was also working with refining and making changes to FEMIS Transport Assistance reports and aligning it to the required reporting of the draft Standard Operating Procedures. The Ministry was also liaising with the e-ticketing service provider to align and merge its data reporting structure to FEMIS reporting.

Expected Benefits

Having a review done would bring about the improvement in accountability; enhances the Ministry's commitment to improving its services to students in future. Current remedial actions will be an inspiration to improve workflow and identify actions in its operations that enhances its value to the future of Fiji. It will also capture realistic scenarios to match the program objectives within its limited resources. This will also help to identify areas of learning which would in turn be applied to any of its current or upcoming programmes.

Theme 7: School Zoning

Audit Observation

A decade after the Cabinet approval, students have been accepted and enrolled in schools outside of the 2km school zone. Funding of the program could be minimized if the Bus Fare assistance program enforces the school zoning policy requirements. More money is paid out when bus fare assistance to students are not restricted as per the school zoning policy.

Criteria

School home zone refers to a zone or area between residences of students or children located within 2 kilometers radius from the school. Urban schools are schools located in the urban, suburban and peri-urban areas less than 15 km from the nearest urban centre.65

It shall be the responsibility of the PSEHA, in concurrence with the Honourable Minister for Education (hereinafter referred to as HME) to approve and determine the school home zones with clear boundaries for schools under the enrolment scheme. The PSEHA shall define the school home zone geographically

for each urban and secondary school to clearly demarcate school boundaries. Such boundaries shall be furnished to each respective school so that it can be included in their enrolment scheme. This approval for school zoning to be done was seen as complementary to balancing limited resources to the right of parents to educate their children as per their wishes.

All schools shall formulate an enrolment scheme, aligned to the school home zone scheme as formulated by the MEHA, which shall outline a home zone with clearly defined boundaries that must be approved by the Permanent Secretary for Education.

In rare cases, attending out of zone schools shall only be approved under the discretion of the Minister or Permanent secretary for Education.

Evidence and its Analysis

In 2010, a Cabinet approval was given to the Ministry of Education, Heritage and Arts for school zoning with the underlying principle that zoning will ensure that schools are adequately inhabited and there will be no overcrowding in schools as free choices in school environment will be restricted.

As clearly defined in the school zoning policy that the primary purpose of developing the policy is to provide a framework to guide the Ministry of Education, Heritage & Arts (MEHA) to address access, quality and equity in all schools in Fiji. The primary purposes of school home zoning constitute the following as below:

a) To avoid overcrowding, or the likelihood of overcrowding, at the school; and
b) To ensure that the selection of students for enrolment at the school is carried out in a fair and transparent manner; and
c) To enable the MEHA to make the best use of existing network of schools and educational resources;
d) To improve the performance by all schools and ensure equal distribution of high, average and low achieving students in all schools;
e) To ease traffic congestion and reduce travelling costs incurred unnecessarily by parents;
f) To enable proper and fair administration of provision of transport assistance to students;
g) To remove social stratification such as parents occupation, socio economic status, ethnicity and religious affiliation and encourage parents within the same zone to work together to improve the school.

All parents/guardians of students/children who opt to enrol their children "outside their school home zone" as per section 6.3 may not receive any transport assistance from MEHA.

A student's application form dated 27 May 2019 which was reviewed during the audit indicated that it was not approved by the Head of School on 10 June 2019. Application to attend the school was rejected as bus fare coverage and travelling time would be expected to be high. Audit verification with the FEMIS database noted that the student's name was listed as eligible and approved for student bus fare financial assistance.

Table 4.2: Student application in FEMIS disapproved by Head of School

ID Number	VF Number	Home Address	Head of School FEMIS Record	Verification
832589	19815846027	Galoa Serua	Approved	Approved and loaded with bus fare assistance.

Inconsistency was noted in this instance where assistance was provided as shown on FEMIS even though the Head of School records show that the application had not been approved. Since the schools are isolated in the city boundaries far from large residential areas, the school needs to have its own demarcating policy to demarcate the acceptable zoning of residential areas accepted to attend its school.

Table 4.3: Student application approved by head of school staying in far zone area

ID Number	VF Number	Residential zone to location of school (km)
1034291	0547351242(3)	27km
1046032	772652330	27km
888233	19889290771	23km
974467	24073578346	20km
833413	2156383002 1	46km

Other instances of students assisted beyond the required school zone can be found in Table 6.3 and Table 6.4 under the Appendix section.

On the other hand the policy outlines the following 10 exceptions that enable students to enroll out of the zone schools. The acceptable provisions for which students are allowed to enroll in out of zoning schools include the following:
a) The schools offer a program or subject combination that is not offered by the near zoning schools.
b) The student is enrolled in to a special program offered by the school such as special vernacular languages such as Vosa Vaka-Viti, Hindi, Urdu, Tamil, French or others.
c) The PSEHA has agreed and directed with the concurrence of the Minister that the student be enrolled in to the school; or
d) Preference of certain combination that are not offered by the school in the student home zone.
e) Preferences for vernacular subject such as Hindi, Na Vosa Vaka Viti, Urdu, Tamil, Telugu, Chinese languages such as Mandarin, French or Cantonese which may not be offered by a school within the school home zone.
f) One or both of the child parents is a teacher at the same school
g) One or both of the child parents work within the school zones
h) One of the child biological sisters or brothers are enrolled or teaching in the same school.
i) One or both of the child parents are school board members or school board employees.
j) Under special circumstances if a student require transfer from another school, the head of the school in which student wishes to enroll, agreed by agreement with the head of student previous school, to enroll the student, and the PSEHA endorses the proposal.

The exceptions listed above are susceptible to manipulation enabling students from outside the 2km area to enroll in schools beyond the distance identified in the policy.

Causes

The lack of enforcement of school zoning and poor controls and checks on the application processing has led to the non-compliances to the Policy on Transport Assistance and procedures discussed above.

Effects

The above exceptions have contributed to the primary objective of the zoning policy not being met. Consequently, the practice of enrolling students in schools out of their home zones contradicted the expected economical goal of accessing the same level of quality education at the nearest school. A sample of 2 schools within the Central Division revealed that more than 90% of the students receiving the assistance travelled daily to schools beyond the 2km school zoning policy. Generally, the seven primary purposes of the zoning policy have not been completely met as a large number of students continue to be assisted to attend schools outside the zoning policy.

Good Practices

The audit noted that it would be ideal for applications to have fields in the application form to factor in changes that have taken place during the school year. These include change of school; change of address; distance to nearest school by the shortest trafficable route; lodge by group that is by family instead of being on a one by one basis; include advocate details (respond to questions from TAU on behalf of the applicant); signed passenger student code of conduct to influence behaviour when riding buses; informing eligible students of processing time for each application when the form is completed.

Expected Benefits

Enhance the integrity level of declaration from parents and their students contributing to the Ministry not only being able to meet its original policy objectives but do so in an economical manner.

Integration of the school zoning policy with the Policy on Transport Assistance will allow the benefits of school zoning to accrue and at the same time save excessive assistance currently being paid which in some cases have not been properly authorized.

Theme 8: Student Bus Fare Assistance Application Process

Audit Observation

There is no provision in the Policy on Transport Assistance or its accompanying form for the Transport Assistance Clerk to sign and confirm that s/he has scrutinised and vetted the form before submitting it to the head of school. Furthermore, the policy does not have any provisions for an independent or third-party confirmation of the income source declared by parents.

Criteria

All students whose parents' composite salary/income of $1600072 or less is eligible to apply for assistance. It is mandatory for the applicants to provide all requested information in the Transport Assistance Application form. Salary slips of working parents shall be attached with the form. For applicants whose parents are without salary slips, a statutory declaration form shall be filled, witnessed by the relevant authorities and supported by the applicant's school teacher. Head Teachers / Principals shall carefully scrutinise the application forms and endorse them only if all the information are in order and complete. Application forms shall be distributed to all eligible students on the 1st day of school and shall be completely filled and returned to the school head by the end of the 2nd week of term.73

Subsidized Fare

A student qualifies for 2 coupons if he or she travels on a direct bus or school bus, and 4 coupons if the child changes buses to and from school of the correct stage as per the approved list. The maximum fare per trip is $0.80c; parents will have to pay fare exceeding $0.80c per trip. At no time may a child be given

more coupons than what has been assessed as per approved list. Head teachers and Principals shall adhere to this.74 All students who wish to be assisted has to apply using the bus fare assistance application forms and submit them to transport assistance officer in their respective school, who shall stringently vet applications before submitting it to the head of school for approval. In rare cases, attending out of zone shall only be approved under the discretion of the Minister or Permanent secretary for Education.

E-ticketing Card

In cases where the smart cards is not recognized by the bus machines, students are kindly requested to note the message from the machine and lodge the problem to the school. Schools should be notified immediately in cases where the card goes missing.75

Evidence and its Analysis

Since the implementation of the bus fare assistance program, changes have emerged that has enhanced and developed the program to align it with the government's initiative of technological improvement. These also coincide with the three intended objectives of the program introduced in October 2017 which is to:

(i) ensure improved collection of revenue and reduce fare evasion and the risks for passengers carrying cash;
(ii) remove revenue losses for omnibus operators and the State; and
(iii) Prescribe conditions and enforcement powers in relation to the use of bus cards and bus card readers.

In 2017, the government through the MEHA implemented e- transport cards for students travelling by bus, while those using carriers and boats transportation in rural areas are still using coupons, as network connection and installation of machine is a challenge.

There is no provision in the Policy on Transport Assistance with its accompanying form template to request each transport assistance clerk to sign on it to show that he or she has scrutinized and vetted the form before submitting it to the head of school.

The Policy on Transport Assistance and the application template does not make provision for an independent or third party confirmation of the income source declared by parent's e.g. Application forms for student whose parents are earning fixed annual income are not verified with other stakeholders such as FRCS through the parent's TIN number and FNPF to confirm the actual gross salary from FNPF deductions.

In addition, no provisions existed to enable each transport assistance officer or head of schools to demand for declaration of other sources of income of parents apart from the employment income declared.

Not all the clearly marked sections and fields on each form were completely filled. This included complete data not entered in to FEMIS, data entry checked as well as student ID number and student e-transport number. These were important fields that identify each student and determined whether a student's information had been included in FEMIS transport assistance modules or not.

The Committee noted that the Audit team had visited two prominent schools in the Suva district from 17th to 19th January 2020 to assess how the applications have been processed. The audit verified the

processing of bus fare assistance applications and secondly noted the subsequent approval procedures to harness the processes and procedures.

The audit noted that some applications were not properly assessed, not approved according to the policy guideline during field visits.

It was noted that application for assistance of some students whose parents earned more than the

$16,000 income threshold were approved. Refer to table below for examples.

Table 4.4: Students with parents earning more than $16,000 threshold assisted by the program

Student ID No.	E-transport Card No	Parents Income Declared	Parents Income Recalculated
1034291	0547351242(3)	16,000	16,725.28
1046032	772652330	16,000	16,725.28
1083959	19930570452	15,000	16,244.80

Recalculations carried out during audit revealed that income declared in the applications do not correspond with the supporting evidence provided as proof of annual income.

It was also noted from the field visits that applications were approved although evidence supporting the information stated in application forms was not attached. Applications for a number of students whose parents were employed were endorsed by the head of school without payslip or other evidence of income. Similarly, applications for a number of students whose- parents were not employed were endorsed by the head of school even though statutory declaration forms were neither filled nor witnessed by authorized officers.

Table 4.5: Endorsed Applications of students with working parents

Student ID No.	E Transport Card No	Working Parents	Declared Parents Income	Payslip Attached
753740	19921	yes	10,000	no
1001197	1213149	yes	15,000	no
1118612	0547576842(9)	yes	5,000	no
873721	0548052906(3)	yes	11,090	no
959195	0551957482(5)	yes	8,000	no
925866	19823708532	yes	10,400	no

Table 4.6: Endorsed Applications of students whose parents were not employed

Student ID No.	E Transport Card No	Non- Working Parents	Declared Parents Income (Casual Income from Informal employment)	Statutory Declaration attached and witnessed by relevant Authorities	Application and scrutinized endorsed
974282	2156854282	yes	8,000	no	yes
Not known	Not known	yes	1,500	no	yes
1084379	5481270980	yes	n/a	no	yes
NF	0547576842(9)	yes	5,000	no	yes

The audit review also noted that Heads of School did not endorse or stamp some applications forms before these were entered in to FEMIS. The FEMIS showed that these students have been approved to

receive the assistance. Refer to Table 6.1 in Appendices of the Audit Report showing instances where this deficiency was observed. The non-endorsement of application forms indicates non-compliance to the Policy on Transport Assistance. Therefore, not all applications approved and loaded in the FEMIS database have been completely endorsed and verified.

Records in the FEMIS were not updated with names of the students that have been assisted under the bus fare assistance program. When reconciling the FEMIS records to the schools record quite a few numbers of students were yet to be updated in FEMIS. Refer to the Audit Report in table 6.2 under Section 6 of this report for details of students name not updated in to FEMIS.

Causes

Periodical review of the policy was not been carried out .This includes related forms such as the template for application forms and internal checklist document by the MEHA.

Approval of bus fare assistance applications for students whose parent's income is more than the $16,000 threshold indicates the lack of thorough assessment and absence of independent recalculation of parents' income using the payslip submitted.

The endorsement of unsupported application forms indicates that applications were not properly scrutinised prior to approval.

Non-verification of details in each form had resulted in approval of applications forms that have not been properly supported by a payslip and statutory declarations. Such approvals inspire boldness to partake in fraud and collusion between the assessing officers and parents.

Lack of regular updating of school file records into the FEMIS has resulted in differences in information reflected in school records when compared with the records generated from FEMIS.

Effects

The lack of review of the Policy on Transport Assistance and template and the lack of strategic direction have led to the above provisions not being integrated in to the Policy and related application template. Including applications of parents earning above $16,000 creates additional demand not only on direct funding but also on related administration costs.

The Transport Assistance Unit within the Ministry of Education loads eligible student's details for bus fare assistance in to the e-ticketing system based on the FEMIS records. Lack of procedures to guide the processing of applications and loading of reimbursements of assistance could result in improper procedures being undertaken in the provision of assistance to students.

Good Practices

The Ministry had informed audit that the draft Standard Operating Procedures section on "Application process for transport assistance" outlines the duties and responsibilities of the School Administration Officers and School Heads. It requires that the School Administration Officer (or similar) to conduct checks on all applications to confirm the forms have been filled correctly and that the documentation provided is complete.

Any incomplete forms without the required documentation will be returned to the applicant. If all is in order, the School Administration Officer will sign the application form to confirm this is ready to be passed to the School Head. It also requires the School Head to review all applications and if they are satisfied all information is correct, they will endorse and stamp the application. The Ministry's IT Section is in process

of verifying the incomes in liaison with FRCS. The Ministry further stated that the eligibility for transport assistance is mostly for those students whose families are in the informal employment sector. However, the Ministry will consider obtaining parent's contracts as basis of determining the annual incomes feedback on this will be obtained as well during the consultation process for the policy. 77 A copy of the draft Policy on Transport Assistance and draft Standard Operating Procedures was provided to audit78

Expected Benefits

Proper processing of applications for assistance will ensure that each request for assistance is processed consistently and transparently. This can be brought about if there are sound controls in place for the program. It also contributes to identifying areas of improvement to reduce risk of abuse of the program.

Having a more systematic and controlled operation would improve efficiency in the operation and better service delivery in updating student records in FEMIS to reliable top up of e-transport cards.
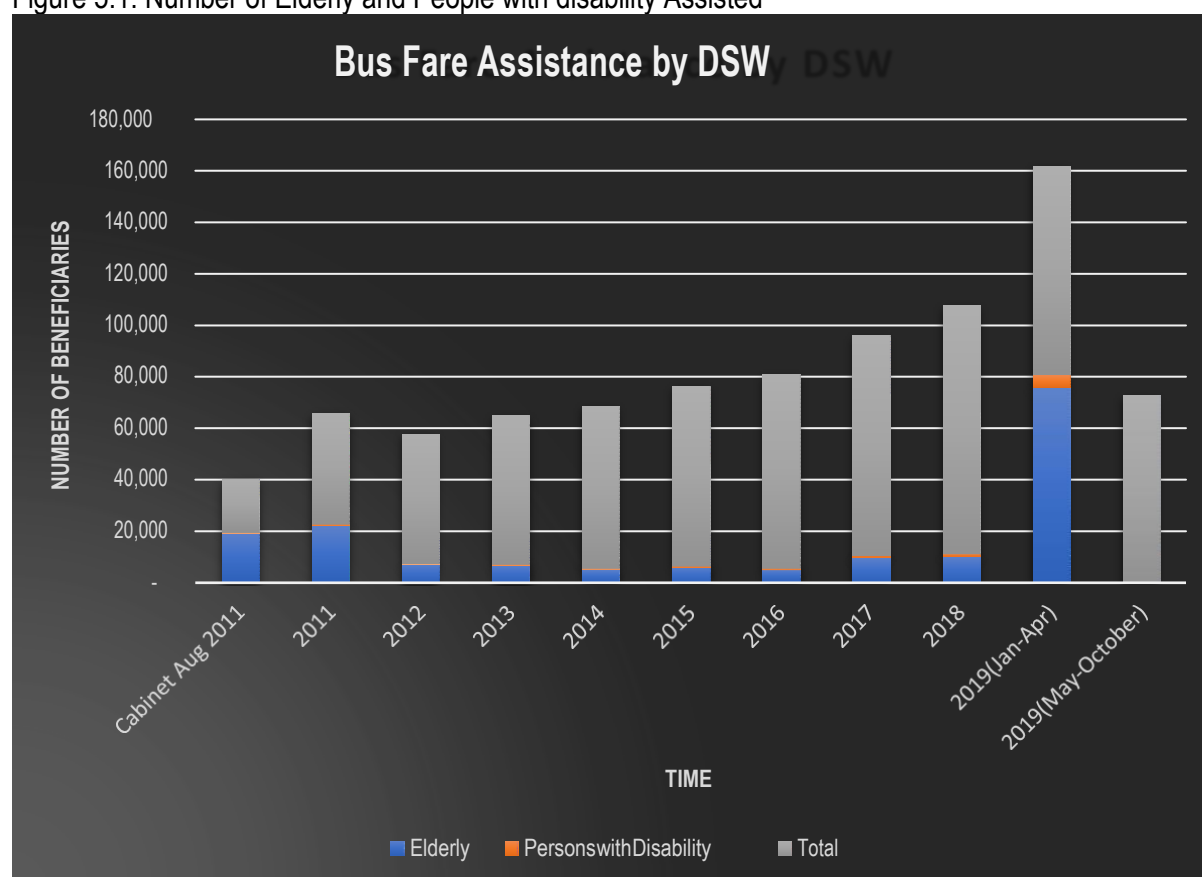
3.0 DATA ANALYTICS

This part of the report focuses on data analytics of information in the records maintained with the Ministry of Education and DSW together with the data collated from the e-ticketing service provider. This analytic approach was done for comparison purposes to obtain a viewpoint highlighting issues found when examining data integrity and integration. It also seeks how records can be further improved to allow for more reliable and accurate reporting for decision making purposes.

Theme 1: Data on Elderly and Fijians with Disability

Depicted below is the total population of the Elderly and People with Disability for the years 2011 to 2019 that were assisted by the Department of Social Welfare (DSW) under the Bus Fare Assistance program.

Figure 5.1: Number of Elderly and People with disability Assisted

Audit Observation

Scrutiny of the data on Bus Fare Assistance Program revealed the following observations:

1) Other forms of ID were being accepted by the e-ticketing service provider apart from the normal ID issued by the DSW. We noted use of incorrect ID Type for registration of card users. Concession & exempt card holders should be registered using Social Welfare ID. However, during the audit we noted the use of birth certificates, drivers licence and many other IDs for registration purpose.
2) There was more than one user for one active ID. There was more than one card assigned to the same ID.
3) In some cases, Monthly loading on Exempt and Concession Cards was more than the monthly approved limit of $40.
4) The audit also noted instances where funds were being incorrectly transferred to incorrect cards.

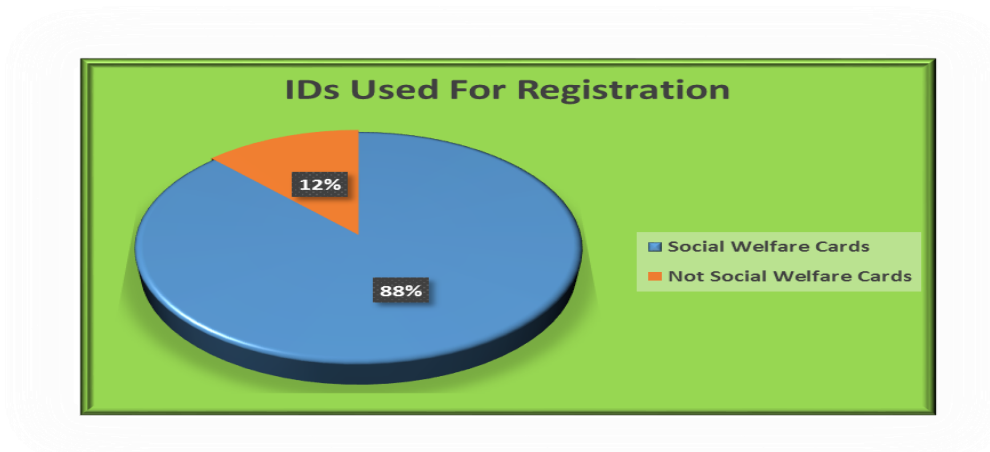Further details are provided in the discussion below.

Evidence and its Analysis

Forms of Acceptable Id for Registration

The audit noted the use of incorrect ID type for registration of card users. Although concession & exempt card holders should be registered using Social Welfare ID, we noted that other non-social welfare cards (birth certificates, driver's license and many other IDs) were used for registration purpose.

Figure 5.2: ID Used for Registration

Source: OAG analysis based on information from service provider.

As shown in the pie chart above, the Social Welfare ID Cards issued by the DSW accounted for 88% of the applications registered while the remaining 12% made up of 19 other forms of secondary identifications.

Further review of the other IDs accepted for registration revealed that the Ministry has allowed for 19 different secondary types of IDs when processing around 93,003 applicants.

These included the following:

1) Voter registration
2) Driver's License
3) FNPF Card
4) Passport
5) Birth Certificate
6) FIRCS
7) Others
8) FNPF/FRCS Card
9) Student ID
10) Photo
11) Citizenship Certificate
12) Employee ID
13) Reference Letter
14) Marriage Certificate
15) Police ID Card
16) VKB Certificate

17) Military ID Card
18) Extract Proof of Registration (Vola-ni-Kawa Bula)
19) Payslip

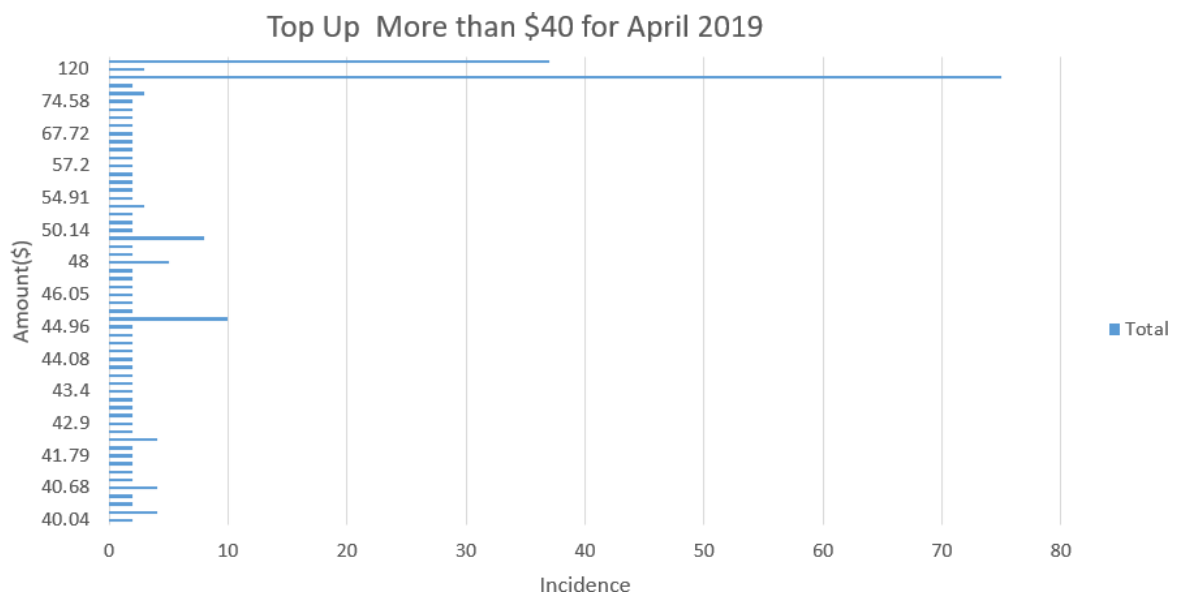**Same ID with More Than One Active Card**

The audit identified events where more than one active card was registered to the same ID. Further review of the ID number noted that more than one card was activated for three ID users.

ID_NUMBER	CARD NUMBER	STATUS
2769	13932779468	ACTIVE
2769	23248171086	ACTIVE
58	18918045545	ACTIVE
58	5162864531	ACTIVE
70	1382139739	ACTIVE
70	5163266777	ACTIVE

Loading More Than Maximum Amount

The audit found that monthly loading on Exempt and Concession Cards in some cases were more than $40 in a month and funds were loaded more than once within a particular month. These observations were noted when reviewing cards loaded for the months of April, June, August and December during 2019.
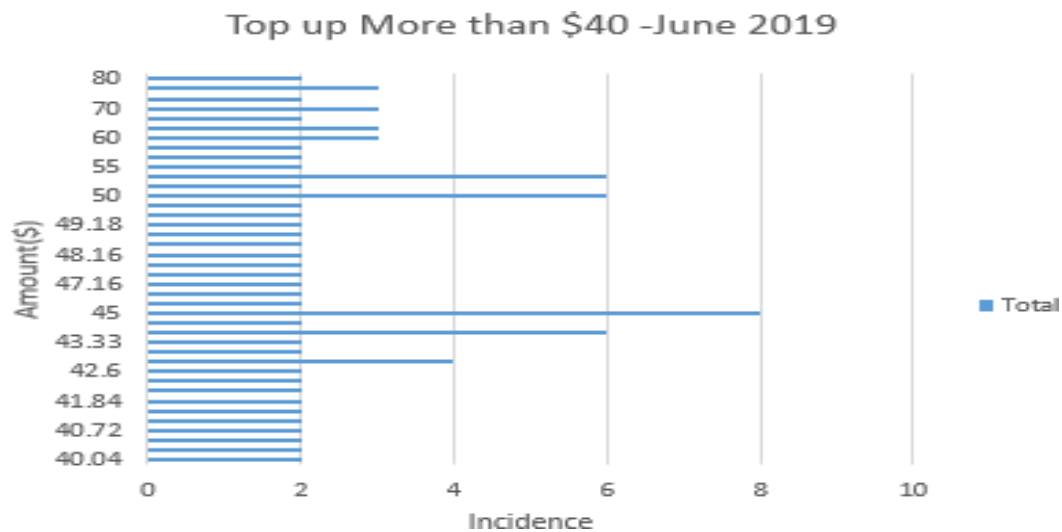
April 2019

The range of amounts topped-up was between $40.04 to $1,442.72; one particular card was topped- up 37 times with the total top-up amounting to $1,442.72; $80 was the most common amount when 37 cards were topped-up twice within the same month.

June 2019

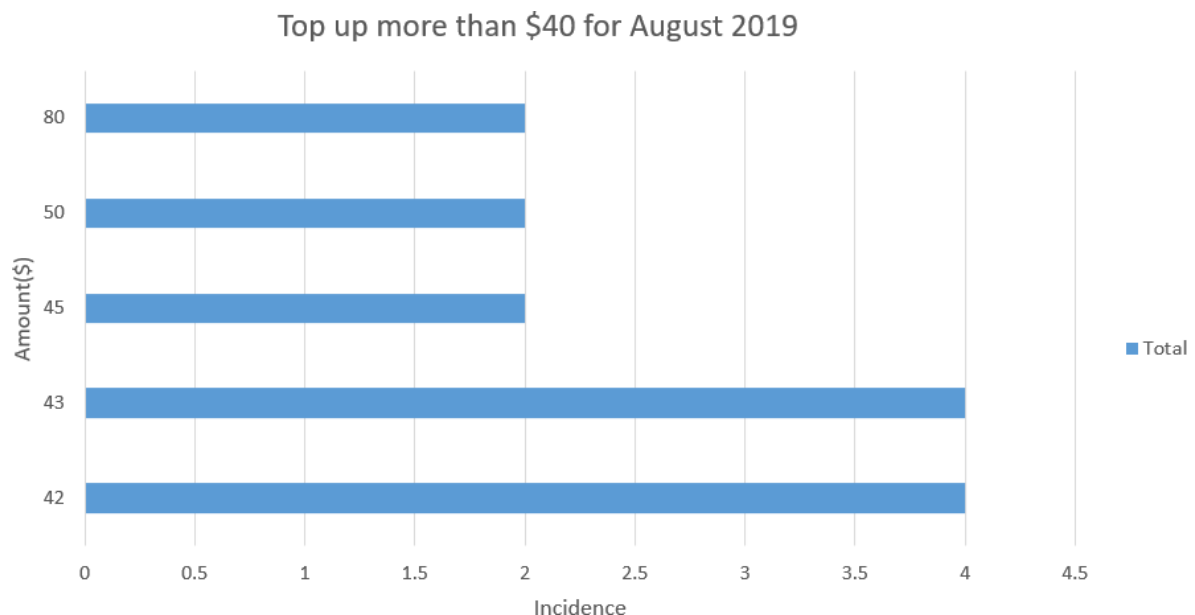The range of top up recorded over the approved amount was from $40.04 to $80; one particular card was topped- up three times with the total top-up amounting to 237.33. Top-up amount of $45 was the most

common amount where four cards were topped-up twice.

August 2019
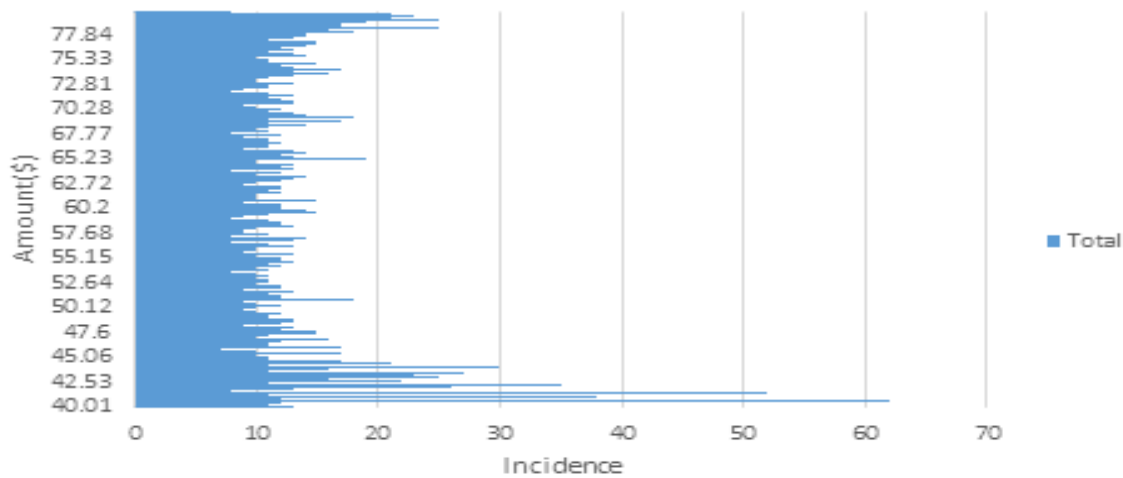
The range of amounts recorded was between $42 up to $80; with two amounts ($42 and $43) recording the highest number of the amount topped-up.
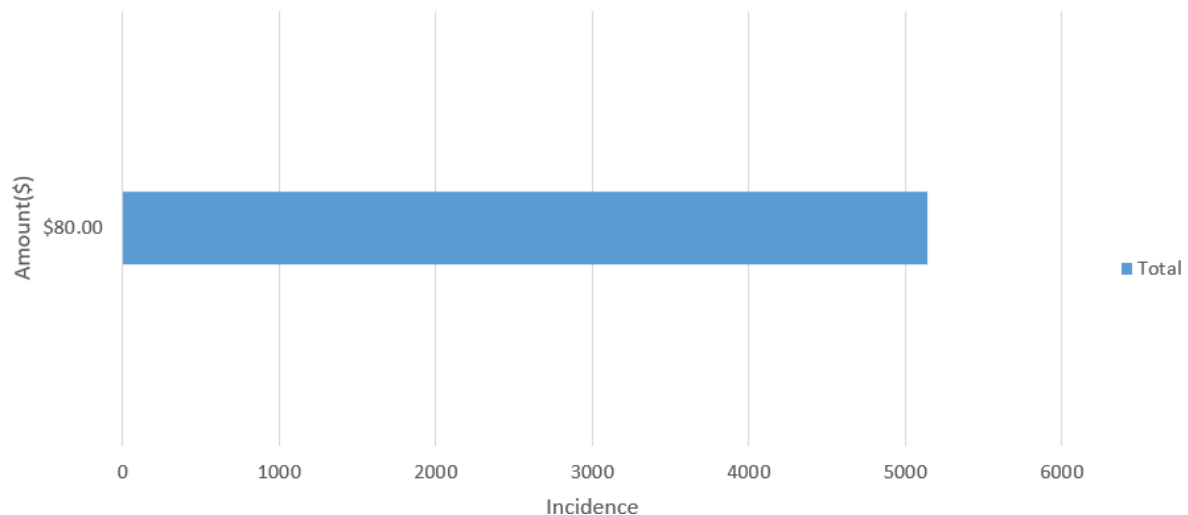

December 2019

When the amount of $80 was removed the range was from $40.01 up to $110.00; the amount of $40.68 recorded the highest number of top-up when 62 different cards were topped-up twice.

Top Up more than $40 for month of December 2019
(excludes amount of $80)

It was further noted that the amount of $80 was recorded as highest number of top-up where 5,144 different cards were topped-up twice as shown in the graph below.

Top Up more than $40 for month of December 2019
(only amount of $80)

Causes

The primary reason for the issues highlighted above is the lack of proper control over the program. Moreover, regular reconciliation has not been carried as this task has not been assigned to a responsible staff.

Accuracy had not been maintained on records retention with card numbers not streamlined to match the number of recipients. The total number of active cards should be equal to the number of recipients that currently receive the assistance.

At administration level, the Standard Operating Procedures has not been finalised to clearly specify the activities and acceptable level of input, process and performance from officers assigned to the program.

Effects

The contract agreement with the e-ticket service provider has been breached whereby only $40 should be topped up on to the Concession & Exempt Cards.

It would be difficultly to identify the Social Welfare recipient since registration details have been incorrectly entered into the system. The Department will effectively account for any change when beneficiaries no longer need the assistance reducing the risks of leakages within the assistance.

There was high risk of misuse of funds and fraud as the same recipient will be receiving more when compared to other recipients.

Analysis carried out on the four months revealed that a total of 26,091 top ups with related value of $1,652,027 have been incorrectly funded.

Expected Benefits

Better management of data can result in better monitoring of outcomes of the program. It also allows for better accountability to facilitate better decision-making when information from data is accurate. This will also ensure efficiency of the program by allocating limited resources available to achieve program output as identified in its objective.

Theme 2: Data on Students

Details of students that were assisted on the Bus Fare Assistance program through e-Ticketing is depicted below:
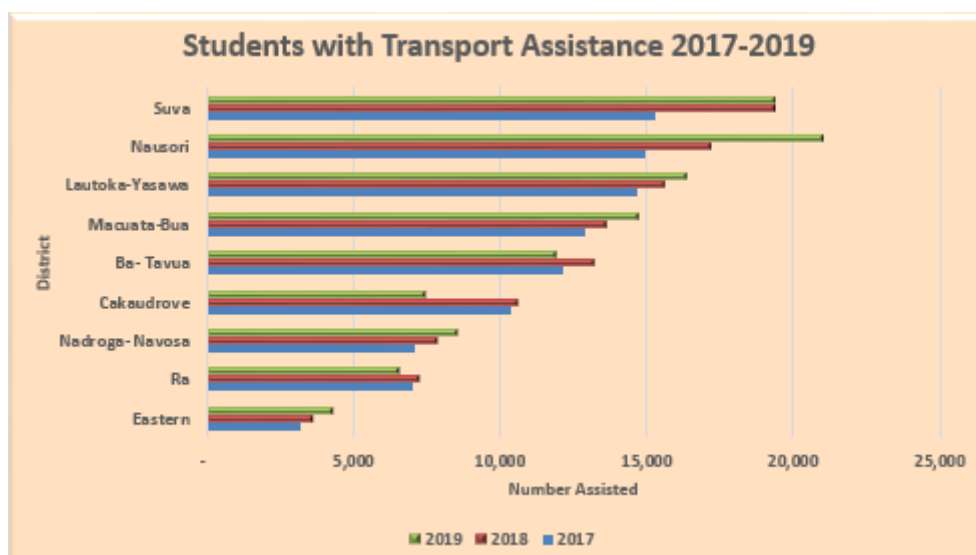

Figure 5.3: Number of Students Assisted from 2017 to 2019

Source: OAG analysis based on information from TAU

Audit Observation

A detailed comparison carried out on data as of 6 February 2020 between records maintained by the e-ticketing service provider and that of the Ministry highlighted the following gaps in data governance as indicators for areas of improvements:

A total of 148,893 Inactive cards have balances totalling $2,972,684.40. Refer to table 6.5 under Appendix 6.0 for details in the Audit Report.

A total of 87,294 cards with funds that were incorrectly transferred amounted to $745,318.73. The card holders of the new cards are not same as the previous card holder. Refer to the Audit Report in table 6.6 under Appendix 6.0 for details.

Validation of correct top-up could not be established as we were not provided with the relevant data needed to carry out this test. The data provided was incomplete. In the absence of required data, audit was unable to determine the manner in which the Ministry determined that the correct amounts were topped- up and how reconciliations are carried out. Data detailing the movement of funds within each card is not provided to MEHA. Instead the Ministry relies solely on data maintained by the e-ticketing service provider. Please refer to the Audit Report in table 6.7 under Appendix 6.0 for details of incorrect transfers.

Duplicate student ID was noted on active student cards although a student should have only one subsidized card registered under their names. Refer to the Audit Report in table 6.8 under Appendix 6.0 for details.

Duplicate card numbers were also noted. Refer to the Audit Report in table 6.9 under Appendix 6.0 for details. The audit noted incomplete & missing data since MEHA is yet to update & maintain complete data sets.

The audit also noted incomplete data for student details. Due to incomplete data it was not possible to carry out reconciliation for amounts topped-up as MEHA did not disclose the total amount that is supposed to be topped-up on the student cards.

The audit noted improper registration and incorrect ID numbers being registered on to the system. Student ID numbers were not properly recorded including instance of duplicates noted within the service provider system. E.g. one particular student ID number was recorded 214 times. Refer to the Audit Report in table 6.10 under Appendix 6.0 for details.

Proper data management is not practiced by MEHA. The annual fare estimated by MEHA is not equal to the total amount topped up by the service provider.

The MEHA data shows the amount to be loaded onto the cards for 2019 should have been $11,486,032 while the total value loaded for 2019 by the e-ticketing service provider was $4,984,000 indicating an excess amount of $6,502,032. Refer to the Audit Report in table 6.11 under Appendix 6.0 for details.

The issues noted above points out that these two data sets have not been properly matched off or if done but not so in a complete manner. All differences noted between the records kept by the service provider and those kept by the TAU of MEHA should be identified, interrogated, validated and cleared.

Evidence and its Analysis

Please refer to tables 6.5 to 6.11 reflected in the Appendices 6.0 of the Audit Report for further details of the audit findings. Discussions with the system analyst in DSW revealed that the Officers have not signed any declaration of conflict of interest. This ethical element is captured, transferred to each of its officer and acknowledged when he or she signs his or her contract. Similarly, the teachers in schools have not signed any forms to declare any conflicts of interest that may arise when assessing application for assistance that comes from the students.

Documentation of policies and procedures on values and conflict of interests are important in order for positive actions to take place. The Permanent Secretary for Women, Children and Poverty Alleviation expressed similar sentiments and noted this as one of her initial observations upon assuming office. She also emphasized the need to undertake awareness on conflict of interest in the Ministry to promote an efficient implementation and understanding from all officers.

Causes

Lack of awareness and understanding on the need to document policies and procedures for values and conflict of interests and actions taken for it is the main stumbling block in upholding integrity and values in public service. Lack of awareness and understanding of values and conflict of interests can be strengthened through training and workshops organised for staff to freely discuss and be able to fully identify actual and potential conflicts and how to mitigate them.

There has been no refresher training to the TAU at the start of this program. Whilst the contract renewal is reviewed at a minimum of three years, not having an annual declaration for conflict of interest signed by staffs will not help in maintaining the level of values expected in public service.

Effects

Absence of policies and procedures or guidance on values and conflict of interests within MEHA and DSW can lead to conflict of interest not being promptly detected and mitigated. These may also lead to increase in cases of favoritism, nepotism and fraud. Some examples of such incidents are discussed below.

Officers assessing an application can manipulate the form if he or she knows (not excluding obtaining incentives) the applicants to ensure that it is processed first from those that have been submitted earlier. In addition, processing officers who are known to the relatives or friends of an applicant that does not qualify for the assistance can get their applications approved. This means that the assistance is left open to misuse from students whose parents earn more than the maximum level of combined annual income.

Failure to recognise conflict of interest can give the impression that the Ministry/ Department is not being prudent and could potentially lead to decisions being subjective which can be challenged by applicants. This can damage reputation and undermine public confidence in the MEHA and DSW.

Good Practices

The Ministry of Education had included conflict of interest in the revised draft Policy on Transport Assistance under a section on "Fraud and corruption in relation to Transport Assistance" which requires that all officers involved in the application and processing of Transport Assistance to sign a Conflict of Interest declaration. A copy of the revised draft Policy on Transport Assistance and draft Standard Operating Procedures was provided to audit.

Expected Benefits

Implementation of the policies, procedures and/or guidelines on values and conflict of interest can assist in greatly improving the integrity and reputation of the MEHA and DSW.

RECOMMENDATIONS

The Committee after reviewing the performance audit report on the Administrative and Management of the Bus Fare Assistance through E-Ticketing for the School Children, Disabled and the Elderly Persons concurs with the OAG's recommendations and further recommends the following:

1. **The Ministry of Education to expedite the finalization of the current Transport Assistance Policy which is under review and relook at its SOPs in consultation with relevant stakeholders to align it with the Electronic Fare Ticketing Act 2014;**

2. **That the DSW develop a policy and finalise its SOPs in consultation with the elderly and persons with disabilities;**

3. **That the MEHA sign a Service Level Agreement with the external service provider to include reporting requirements to ensure any gaps identified in the Agreement be addressed and vetted for legal compliance;**

4. **That MEHA and DSW strengthen their Complaint Management System;**

5. **That the Department of Social Welfare examine the seven (7) recommendations provided by their Monitoring & Evaluation Team in 2018 and where practical implement it as soon as possible;**

6. **That MEHA and DSW strengthen the reconciling of records with the e-ticketing service provider on a monthly basis; and**

7. **That by 2030, the two Ministries with relevant stakeholders provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations which includes, women, children, persons with disabilities and older persons in line with SDG 11-Sustainable Cities and Communities.**

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Committee noted the immediate priority of the audit which was to ensure the effectiveness, efficiency and the accountability of the delivery of the two Ministries outputs and that is the delivery of public services. This in relation to the implementation of public programmes and projects under the 5-year and 20 year National Development Plan and measuring national development targets, which are aligned to regional and international indicators like the SDGs.

The objective of bus fare concession cards is to assist senior citizens and disabled persons in their travel when using bus as their mode of transport. Government is committed to providing an accountable and transparent service as such all the social welfare clients have the right to enquire about their cases.

GENDER ANALYSIS

The main purpose of the audit that was carried out was to ascertain the efficiency and effectiveness of government's Bus Fare Assistance program through E-Ticketing for the school children, elderlies and persons with disability. Given the sustainable development objectives of the Fiji Government as prioritized in the National Development Plan, the provision of bus-fare assistance through e-ticketing is a government initiative targeted at providing and promoting 'quality education for all', ' social inclusion and empowerment', 'youth development' and 'women and gender equality.

Education is generally regarded as one of the fundamental factors of development. The Fijian Government continues to increase investments in human capital in order to achieve sustainable economic development. Education enriches people's understanding and improves the quality of life for themselves and the community in which they live in. Education improves productivity, creativity and promotes entrepreneurship and technological advances. Such advancements promote economic and social progress and distribution of income.

Bus-fare assistance through e-ticketing to school children from low income families attempts to ensure that all school children including both and female have access to quality education.

CONCLUSION

The Committee commended the audit conducted by the Office of the Auditor on the Administrative and Management of the Bus Fare Assistance through E-Ticketing for the School Children, Disabled and the Elderly and looks forward in seeing improvements in the two (2) Departments systems and processes to addressed gaps that were identified.

We, the Members of the Standing Committee on Public Accounts agree with the contents of this report:
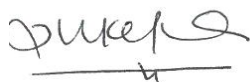
…………………………
Hon. Alvick Maharaj
(Chairperson)

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

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

…………………………….
Hon. Ro Teimumu Kepa
(Member)

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

APPENDICES

APPENDIX 1:

PUBLIC ACCOUNTS COMMITTEE QUESTIONS

APPENDIX 2:

WRITTEN RESPONSES:

1) Ministry of Education, Heritage and Arts

2) Ministry of Women, Children and Poverty Alleviation (Department of Social Welfare)