

2021 ANNUAL REPORT



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji



PARLIAMENT OF FIJI
PARLIAMENT PAPER NO. 102 OF 2021



1. **Navy blue** - are thought of as strength, associated with success. It reflects traits as an Auditor and these symbolizes trust, loyalty, wisdom, confidence, intelligence, faith and truth.
2. **Ocean blue** - is linked to consciousness and intellect capability of the Auditor General's Office.
3. **Green** - suggests stability and endurance and also commonly associated with money.
4. **Black** - or any other black hues denotes strength and authority and it is considered to be a very formal, elegant, and prestigious status of the Office of the Auditor General in Fiji.

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The Auditor-General's Foreword



Bula Vinaka!

Staff enthusiasm was subdued as the financial year commenced with reduction in the annual budget for the Office of the Auditor-General (OAG) which meant non-payment of staff performance bonuses for the previous financial year. Additionally, the delay in filling of new positions created following the restructure of the OAG was prevalent due to lack of funding. Filling of these positions would have allowed for career progression of some staffs.

Despite the setbacks, the Office of the Auditor-General (OAG) committed to its vision of promoting public sector accountability by carrying out several audits arising from the COVID-19 Response Budget 2019-2020 and reported the findings to Parliament. These audits were in addition to the normal audits which are carried out by OAG every year. In

addition, OAG also submitted a report on the findings of a first-ever independent assessment of the OAG using international standards and best practices. The report highlights the strengths as well areas of opportunities most of which have now been addressed.

In order to improve interaction with its stakeholders, the OAG launched a Drawings and Essays Competition in 2021 targeting primary and secondary school students. The response to the competition and schools was overwhelming. The OAG is currently in advanced discussions with a multilateral partner to organize a stakeholder engagement workshop targeting civil society organizations, amongst others.

The OAG had planned to update most of the audits in backlog together with other audits by the end of the financial year. New guidelines to improve timeliness of the Auditor-General's reports to parliament were also issued effective from 1 April 2021.

However, the second wave of COVID-19 pandemic in the country, particularly in central division, adversely affected these plans. In accordance with directives issued by government, the OAG closed its offices in Suva and Nadi with effect from 26 April 2021 to 29 August 2021.

A new class of leave, Pandemic Leave was introduced for staffs affected by the restrictions which were put into place. The leave allowed the OAG to account for staff productivity losses arising from the pandemic. Staffs were to make up for 50% of the time taken as Pandemic Leave and has

been reflected in the financial statements. In addition, OAG also re-introduced its Work from Home Policy which improved from the learnings from the first wave of the pandemic in April 2020.

However, the challenges of the OAG for the financial year were not set to end soon. Towards end of April 2021, the OAG's automated audit software, Teammate, the Accounting Software Navision and Payroll software PayGlobal were affected due to a significant cyber-security incident which affected the government ITC Services. Both systems were fully restored on 7 May 2021 as a result of strong commitment from OAG and ITC staffs.

Most staffs took overdue annual leave during the months of May and June while some were able to continue working from home using backups. With signs that the restrictions will be prolonged, OAG communicated with its clients to find out if audits could be continued remotely. A few of them agreed to share records electronically via a secured platform while others were also closed and were not able to access their records.

Despite the challenges faced, OAG was able to achieve the following during the time of the restrictions to the of the financial year:

- Issued 14 audit reports
- Issued 42 draft management letters for comments
- Processed vacancies for 9 positions including contract renewals
- Virtually announced the winners for the 2021 OAG Drawings and Essays Competition
- Prepared the OAG 2021-2022 Annual Business Plan following a virtual workshop
- Facilitated the virtual assessment of OAG's application for the 2021 Fiji Business Excellence Awards
- OAG draft Financial Statements for FY 2020-2021 prepared under International Financial Reporting Standards for Small Medium Sized Entities (IFRS SMEs)
- Client, PAC and Employee Satisfaction Surveys

In addition to the above, OAG staffs spent hundreds of hours attending virtual trainings, meetings, conferences and workshops. I was also able to virtually deliver my responsibilities as Chairman of the PASAI Governing Board.

Towards end of financial year, we received some good news – OAG was given greenlight from representatives of Commonwealth Secretariat and supported by member Auditors-General to host the Commonwealth Auditors-General Conference in May/June 2022. The conference was to be initially hosted by OAG in May 2020 but was postponed due to the COVID-19 pandemic. OAG plans to host the conference in person in May/June 2022.

My five-year term as Auditor-General comes to an end in a few months. The work has been very challenging but also satisfying - promoting accountability and sustainability through audits, is in

my view, a very noble profession. As evidenced by independent peer reviews, the OAG has moved up several notches to where it was five years ago. All achievements have been as a result of teamwork largely attributed to OAG staffs.

Finally, I would like to express my sincere appreciation to the Executive Management and staffs of the OAG, members of the Standing Committee on Public Accounts, permanent secretaries, CEOs, special administrators and bilateral and multi-lateral partners for the support rendered to me during my tenure in office. I am hopeful that you will continue to support the OAG in achieving its vision. I would also like to acknowledge my appreciation to the Constitutional Offices Commission for giving me an opportunity to serve the people as Auditor-General.

Vinaka Vakalevu



Ajay Nand

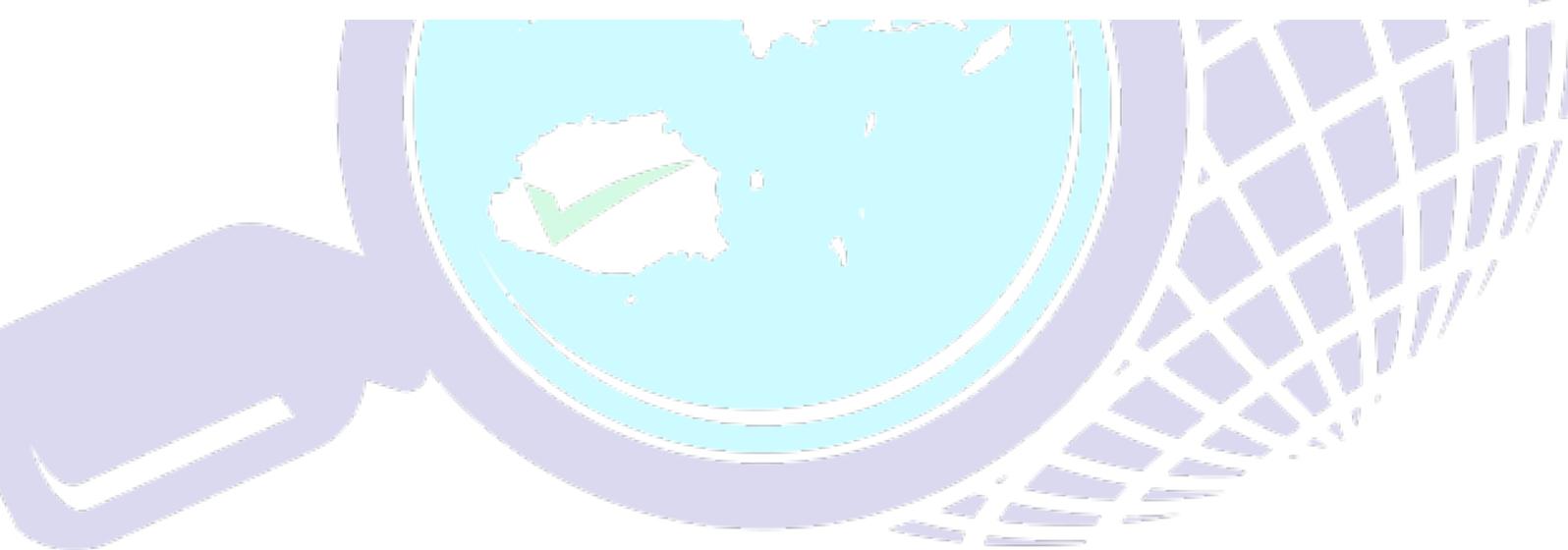
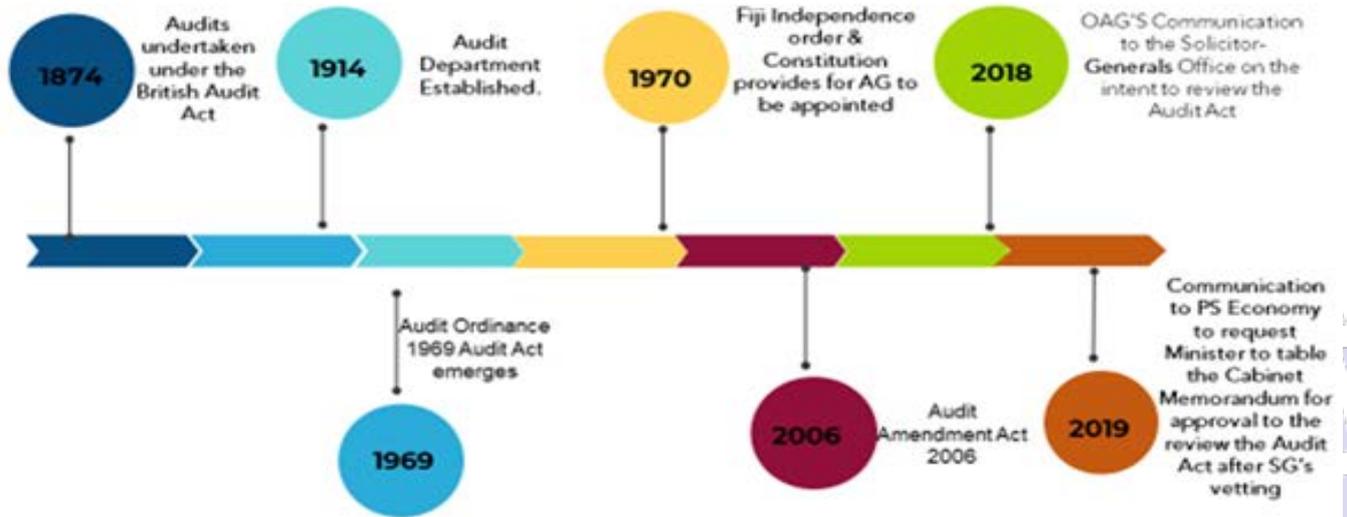
AUDITOR-GENERAL

Date: 22 November 2021



History Timeline

OAG HISTORY TIMELINE



THE AUDITORS GENERAL – 5 DECADES FOLLOWING INDEPENDENCE



Mr. Tamesar
Bhim

October 1970 –
October 1984



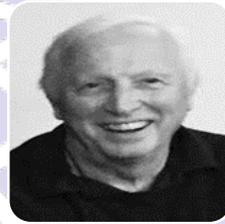
Mr. Rupendra
Narain

November 1984 –
October 1987



Mr. Ramesh C
Dutt

November 1987 –
November 1997



Mr. Michael Jacobs

December 1997 –
December 2000



Mr. Eroni
Vatuloka

January 2001 –
November 2009



Mr. Tevita
Bolanavanua

December 2009 –
December 2014

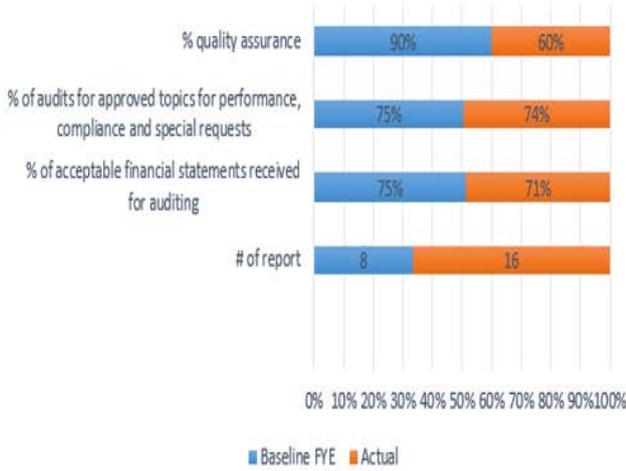


Mr. Ajay Nand

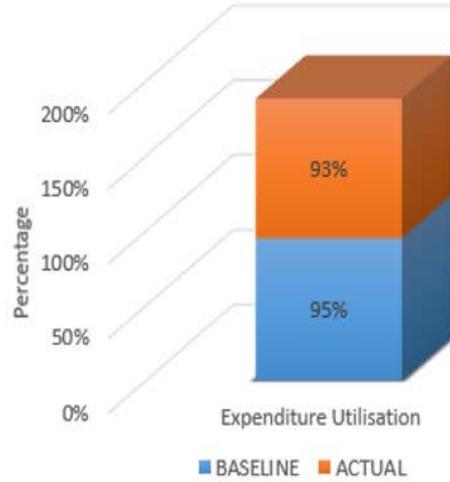
January 2017 to date

OAG AT A GLANCE STRATEGICALLY

Mission Alignment



FINANCE



Stakeholders /Citizen) engagement



2020/2021 Year in numbers

About OAG



We have 88 Employees



We had a total of 45 online trainings.



99% Staff satisfaction ratings

We delivered



17 reports were tabled in Parliament.



40 Modified Audit Opinions from 70 Audit



70 Audits completed

What we achieved – Work from Home (April 26 – August 29 2021)



- Issued 14 audit reports
- Issued 42 draft management letters for comments
- Process vacancies for 41 positions including contract renewals
- Virtually announce the winners for the 2021 OAG Drawings and Essays Competition
- Prepare the OAG 2021-2022 Annual Business Plan following a virtual workshop
- Facilitate the virtual assessment of OAG's application for the 2021 Fiji Business Excellence Awards

Financial Performance

The full details of the OAG financial performance are presented in the finance section of this report.

The Office of the Auditor-General is established as an Independent Office by the Constitution of the Republic of Fiji is funded through annual appropriation by Parliament.

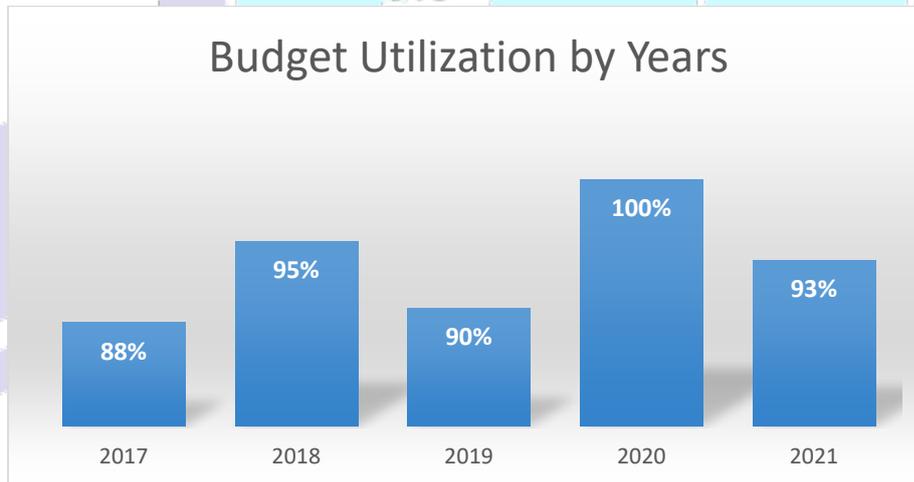
Budget Appropriation

In the 2020-21 financial year, \$5.0 million was allocated for the Office of the Auditor-General to carry out its duties as mandated by the Constitution and Audit Act 1969.

Tabulated below are the budget appropriation and actual expenditures incurred by the Office for the past five years:

Financial Year	2017	2018	2019	2020	2021
Budget Appropriation (\$)	4,331,018	4,612,843	6,623,600	5,606,269	5,048,231
Total Expenditure (\$)	3,767,805	4,480,933	5,932,038	5,606,269	4,717,549
Percentage of Budget Utilized (%)	87%	95%	90%	100%	93%

Refer below for graphical presentation of the percentage of budget utilized for the past five years:



Governance



The Executive Management Committee (EMC)

(The Deputy Auditor-General, Mr. Sairusi Dukuno, The Auditor-General, Mr. Ajay Nand, The Assistant Auditor-General Ms. Finau Nagera, The Assistant Auditor-General Mr. Kuruwara Tunisalevu and The Assistant Auditor-General Mr. Moshin Ali.)

The Executive Management Committee which consists of the Auditor- General (AG), the Deputy Auditor-General and the Assistant Auditors-General head the governance of Office of the Auditor-General (OAG).

This Committee is chaired by the Auditor-General.

The EMC works for the best interest of OAG and the long-term benefits of its staff, audit clients and the Parliament of the Republic of Fiji, which is OAG's primary stakeholder.

This committee regularly meets once a month and virtually met under the current COVID work restriction to review and undertake timely and effective actions for the best management and general operations of the Office.

The Executive Management Team

On 1 August 2020, the OAG revised its organizational re-structure to better align its resources to the mandate of the Auditor-General. The Executive Management team consists of the Auditor-General, Deputy Auditor-General and three Assistant Auditor-Generals.



The Auditor-General, Mr. Ajay Nand

The Auditor-General is the administrative head of OAG, whose duties and functions are defined in the Constitution of the Republic of Fiji and the Audit Act 1969.

The Constitution also provides the authority for the Auditor-General to determine all the matters pertaining to the employment of all staff of the Office of the Auditor-General and has control of its budget and finances, as approved by Parliament.



The Deputy Auditor-General, Mr. Sairusi Dukuno

Mr. Sairusi Dukuno was re-appointed as the Deputy Auditor-General (DAG) on May 2020.

The DAG's role provides strategic and operational leadership and development that ensures achievement of the vision, mission and operational outcomes of the Office.

The Executive Management Team (Continued)



The Assistant Auditor-General, Ms. Finau Nagera

Ms. Finau Nagera was appointed as the Assistant Auditor-General in May 2020 and is responsible for the audits of the Financial Statements of Government (Whole of Government) and state entities under the General Administration and Social Services Sector. Audit of Provincial Council also comes under her portfolio of audits.



The Assistant Auditor-General, Mr. Moshin Ali

Mr. Moshin Ali was appointed as the Assistant Auditor-General in May 2020 and is responsible for the audits of state entities under the Economic Services and Infrastructure Sector including Government Commercial Companies and Municipal Councils.



The Assistant Auditor-General, Mr. Kuruwara Tunisalevu

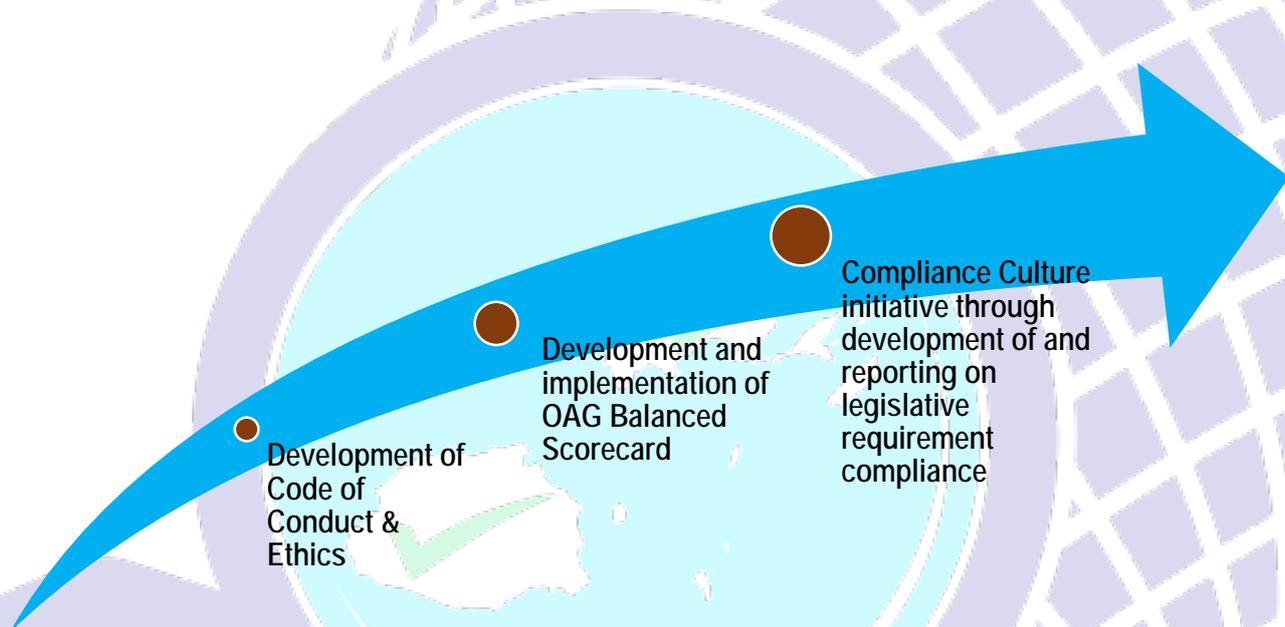
Mr. Kuruwara Tunisalevu was appointed as the Assistant Auditor-General in May 2020 and is responsible for the Performance and Environment Audits, Investigations, Review of Audits and IT Audits.

Risk and Compliance

Risk Management is a fundamental part of the Office of the Auditor General. OAG Risk Management Policy was approved in 2018 and then revised in 2019 to embed ISO 31000:2018. In addressing operational continuity, ISO 31000 provides a level of reassurance in terms of economic resilience, professional reputation and environmental and safety outcomes. Furthermore it provides clear guidance on risk management.

Risk Management and compliance culture is embedded throughout the organization and recorded through the OAG Risk & Compliance Register. The notable development for the risk management is graphically represented below.

Notable Developments – Risk Management 2020-2021



At the organizational level a risk appetite statement has been determined which is a guideline on the calculated risk which OAG is willing to take.

Conflict of Interest Policy Compliance

The Conflict of Interest Policy developed in 2018 and is reviewed annually that provide guidance to staff to enable them to avoid situations in their personal activities and financial affairs which are, or may appear to be, in conflict with their responsibility to act in the best interests of the Office.

OAG has zero tolerance for bribery, corruption, fraud, violations in conduct for or on its behalf.

All Staff and all contractors are required to embrace and act in accordance with OAG values validated through an annual declarations using the OAG Conflict of Interest forms.

Code of Conduct & Ethics

The adoption and application of the Code of Conduct for staff behavior and Code of Ethics as compliant to ISSAI 130 will promote trust and confidence in our staff and their work. OAG Policy 38 of 2020 was developed and approved to direct the conduct of our staff to be professional.

The International Professional Practices Framework (IPPF) – Implementation Guidelines were practices adopted by the Office and also customized into a Code of Conduct and Ethics Declaration for all staff to acknowledge code of conduct responsibility and to abide by it. This practices commenced in 2020 where staff are to make mandatory annual declaration.

The annual declaration is not restricted to staff only but is applicable to any entity or third party/person(s) engaging with OAG.

Conflict of Interest Declaration for each audit

All staff are expected to be professional in their conduct with their personal life.

In addition, all staff are to declare for every audits being performed on the following key questions adopted from INTOSAI Code of Ethics. These include:

- Do you have financial interest in the audited clients;
- Do you have any business relationships with the audited entity or any of its directors, officers or employees;
- Have you received any benefits or gifts in the past from persons employed by or associated with the auditee;
- Were you during the last two financial years being an employee or director of the audited entity;
- Any immediate or close family member(s) that currently hold oversight role at the audited entity or held a position during the financial year you are engaged with the audit;
- Relationship with any director officer and employee of the entity that may impair auditor independence;
- Auditor independence not impaired by the attitude of management and / or staff of the auditee thru intimidation.

When this is fully declared, the Office ensures the integrity, quality and validity of their audit work to maintain the reliability and integrity of the Office as a whole.

OAG Balanced Scorecard

The OAG Balanced Scorecard is an initiative towards monitoring, evaluation and automation of organizational performance.

This is a semi-automated function at the moment and is based on our criteria for gauging the OAG Annual Business Plans against the OAG Strategic Plan 2021-2025.

The criteria for evaluation are: Mission Alignment, Customer (Citizen) engagement, Financial & Operational and lastly Capability and Innovation. Apart from measuring organizational performance; scorecards also assist with bridging the gap between vision and mission statements.

Highlights of these balanced scorecards are provided in the OAG at a Glance Section for mission alignment and customer (citizen) engagement with baseline and actual being depicted.

Our Policies and Guidelines

The Office has developed and reviewed a number of policies and guidelines during the year as approved by the Auditor-General. These policies, guide decisions which are implemented through processes and procedures. For the financial year 2021, the following policies and guidelines were developed, reviewed and implemented.

Update on Policies & Guidelines FY 2021	
New Policies & Guidelines	Asset Management Policy
	Pandemic Leave Policy
	Job Rotation Policy
	CovidSafe Plan
	Strategic Planning Framework
	Human Resources Strategy

Revised Policies & Guidelines	
	OAG Attachee, Internship, Temporary Graduate Auditor Policy
	OAG Staff Disciplinary Policy
	OAG Procurement Policy
	OAG Recruitment & Selection Policy
	OAG Leave Policy
	OAG Allowance Policy
	Quality Assurance Policy
	OAG Code of Conduct & Ethics

ADAPTION AND RESILIANCE THROUGH COVID- 19

Similar to all other public sector agencies, the Office of the Auditor-General confronted significant challenges during the financial year 2020-2021. While these challenges are discussed throughout this report, it is discussed here to highlight our story of adaptations and resilience. This section also provides us with the opportunity to detail what we have learned about ourselves as an organization and the lessons and opportunities we hope to leverage as we move into the new financial year and the new normal.

COVID-19 pandemic

From 26 April 2021, both OAG offices in Suva and Nadi were closed after adhering to the Government directives and advisory during the second wave of COVID 19. All staff were required to safely work from home.

The Office had developed Work from Home Policy and the Pandemic Leave Policy which was introduced and approved on 10 May 2021. These policies is discussed in the later part of this report.

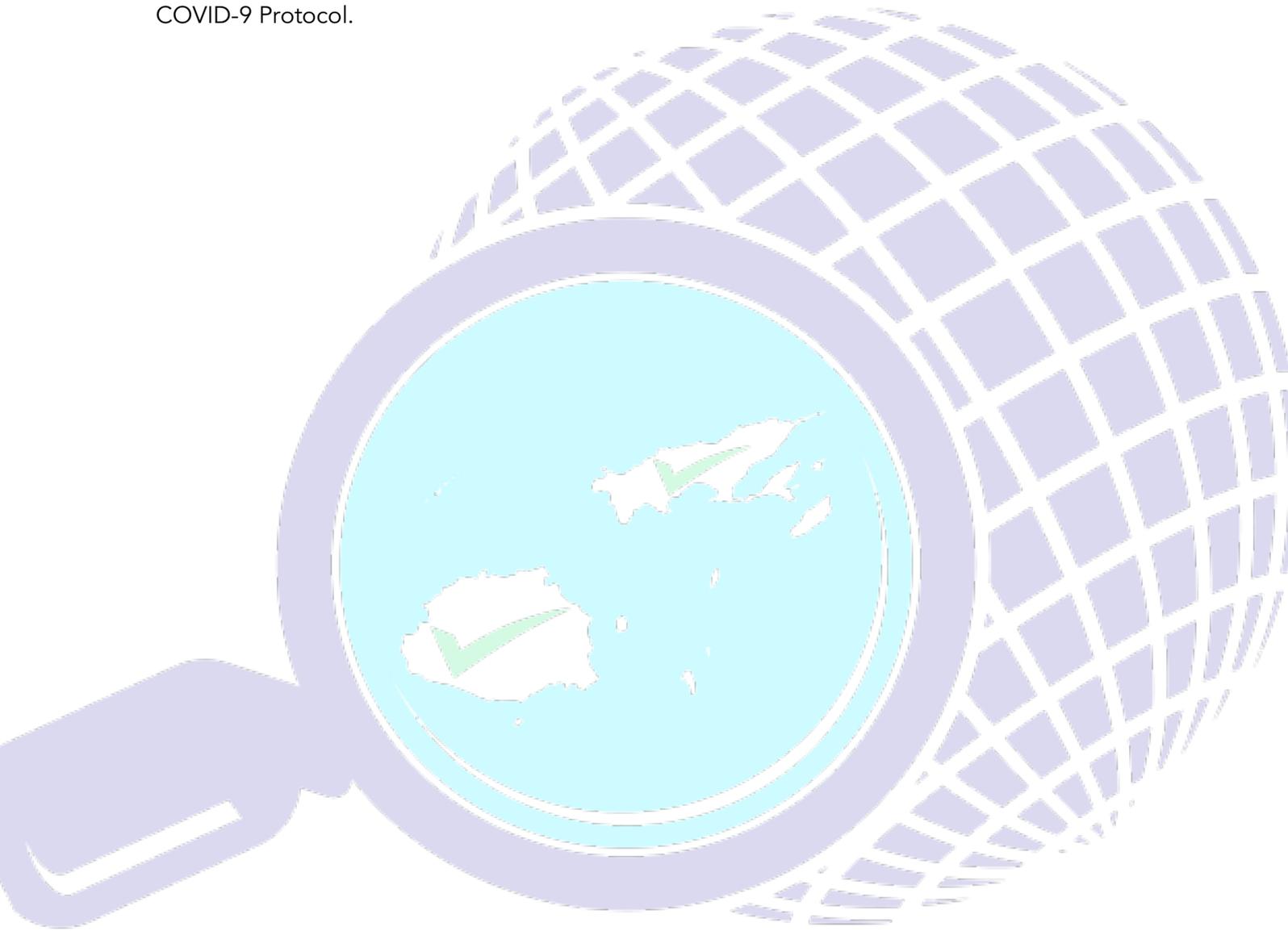
The changes in work environment created a new challenge which was communication with clients as they were also closed. This significantly, impacted our service delivery in timely completion of audits.

During this period, the Office carried out a survey with clients to determine their willingness and readiness for audits to be conducted remotely. Despite receiving responses from only

20 clients, it was noted that all responses highlighted that respective clients' offices were remotely operational or staff are also working from home.

This survey also proved to be a good tool to communicate with our clients in terms of the avenues available to them for safe transfer of data for the purpose of auditing.

The OAG progressively opened from 30 August 2021 and only fully vaccinated staff were allowed to report back to Office with Standard Operating Procedures developed for the COVID-9 Protocol.



External and Internal Review

External Audit

Section 14(1) of the Audit Act 1969 provides that the Speaker of Parliament may appoint a natural person to audit the accounts of the Office of the Auditor-General for a term not exceeding 3 years.

The Chartered Accounting firm Ernst & Young was appointed by the Speaker of Parliament to audit the accounts of the Office of the Auditor General for the financial year ending 31 July 2021.

The audit report for the financial year 2021 is in **Our Finance** section of this report

SAI Performance Measurement Framework

The Performance Measurement Framework (PMF) is an international framework for assessment of a Supreme Audit Institution's (SAI) performance against the International Standards of Supreme Audit Institutions (ISSAIs), and other established international good practices for external public auditing. It was developed by the INTOSAI Working Group on the Value and Benefits of SAIs.

The decision to undergo a SAI PMF assessment was made by the Auditor-General in order to, provide an independent assessment of the current operations and audit practices of the Fiji Office of the Auditor-General (OAG), against the international standards, specifically, the International Standards for Supreme Audit Institutions (ISSAIs) and other established international good practices for public auditing.

A report on OAG's Performance under this framework was tabled in Parliament on 10 February 2021. This report highlights areas in which OAG has excelled and areas where improvements can be made. Like all our reports this is also available on the OAG website.

An update of the action plan for the development of this assessment is in the **Appendix 2** of the report.

Internal Reviews

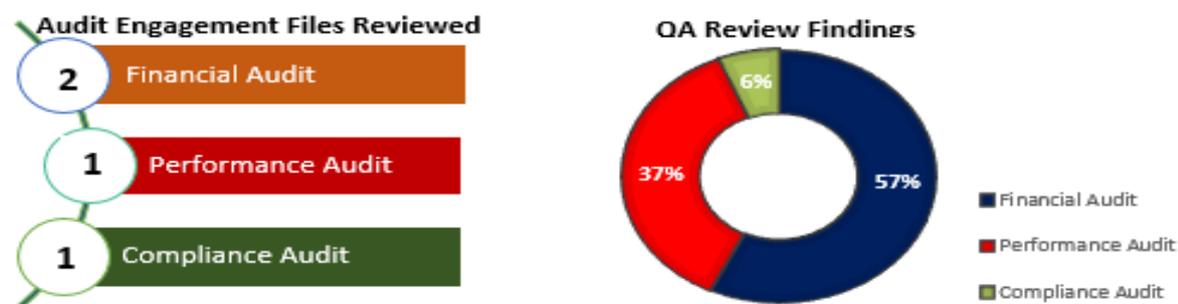
Quality Assurance & Customer Advisory Services

The responsibilities for the Quality Assurance (QA) function include review of quality controls in place for audit engagements, its proper implementation, and identifying areas of improvement through review of selected high-risk audits.

The function also identifies improvements, and corrective measures to be taken for audit procedures.

During the year, the QA team revised the QA Financial Audit Checklist incorporating references to the relevant OAG Policies and Procedures and detailed references to the international auditing standards.

A QA Compliance Audit Checklist was also developed using the IDI QA tool for Compliance Audits. The checklist was used in the team's pilot quality assurance review of compliance audit engagements. Presentations on QA review findings and potential areas of improvement were made to preparers and reviewers during the year. A summary of reviews carried out and findings is shown in the diagram below.



The Customer Advisory Services Unit offers advisory services for smaller audited entities on selected themes, and develop best practices guides which discuss common recurring issues in audits carried out.

The Unit has developed a draft best practice guide on 'Sponsorship in Public Offices' which is currently under review.

The QA team also presented a video sharing OAG's experiences on its quality assurance journey during Association of Pacific Islands Public Auditors virtual conference in August, 2020.

Planned tasks for the future include the revision of the OAG Quality Assurance Manual and the adoption of a root cause analysis program to understand why and how audit quality deficiencies occur. The team will also be involved in the preparation of a survey and compilation of the results in a report on the internal audit functions and risk management framework in State Agencies\Entities.

Internal Audit & Risk Compliance Committee

Internal Audit & Risk Compliance Committee (IARCC) involves the examination and evaluation of the adequacy and effectiveness of the OAG's system of internal control and the quality of performance in carrying out assigned responsibilities at the organizational and group level.

The Committee is chaired by Deputy Auditor-General with its main objective to provide an assurance to the Auditor General that the control measures in place are in compliance with office policies and standard procedures and in doing so, there are strong mitigating measures in place for all levels of risk.

The IARCC with its role to review these assessments provides the Office with an intent to the following:

1. Increase evaluation of and contribution to the improvement of governance processes.
2. Increase evaluation of and contribution to the improvement of risk management processes.
3. Assist the Office in maintaining effective controls by evaluating their effectiveness and by promoting continuous improvement.
4. Strengthen internal audit's activities level monitoring processes for continuous improvement

During the year, there were various reviews brought to the Committee on the following review reports:

1. Review report for Employee Self Service System
2. Probation Period Completion Reviews
3. IT Support Service Evaluation
4. Statutory Compliance Reporting

5. Compliance Assessment Navision Payment Processing
6. Compliance Assessment - Information Security & Emergency Preparedness
7. OAG Historical Report Review

Currently the Office is prioritizing areas which require immediate action with timelines for implementation.

Policy, Development and Research Committee (PDRC)

The Policy, Development and Research Committee (PDRC) is responsible for providing guidance and the implementation of all policies/procedures/manuals in the Office.

The major objectives of PDRC include to undertake research into emerging accounting and auditing issues and best practices/opportunities for the Office.

In addition, PDRC collaborate with Executive Management on any issues/matters impacting the Accounting and Auditing profession and also, review of any formulation of policy on all Office related matters that impact on the strategic objectives of OAG and all referred to Executive Management for approval.

Furthermore, PDRC reviews the development of any new audit policies/procedures and methodologies including best practice guides and guidelines and make recommendations in line with the new normal and inform staff on the changes in Office Policies/Guidelines after approval by Executive Management.

The Committee is co-Chaired by Deputy Auditor General – Mr. Sairusi Dukuno and Assistant Auditor General Mr. Moshin Ali with representation from business units within OAG.

During the financial year 2021, the following Policy Practice Guides (PPG) were adopted by the Office.

PPG No.	Date Issued	PPG Name
PPG 17	06/08/20	Office Instruction on Filing of Timesheet and Productivity Rate
PPG 18	30/10/20	Revised Audit Opinion Template

The Committee also provided comments and contributed towards the formulation of the following policies/guidelines during the year:

- Guideline on how to read the Auditor General’s Report
- Work from Home Guideline
- IT Audit Manual
- Risk Management Framework
- OAG Compliance Policy
- OAG Engagement of Audit Service Provider Policy
- Audit Service Provider Independence Policy
- Fraud Manual
- ISSAI vs ISA Road Map
- OAG Materiality Policy
- Draft Framework for Supreme Audit Institution Engagement with Civil Society
- OAG BPG – Sponsorship in Public Offices
- Data Migration IT Audit Practice Guide
- OAG Public Accounts Committee Meeting Guidelines
- OAG Assembly of Final Engagement File
- OAG Job Rotation Policy
- QA Compliance Audit Checklist
- OAG Anti-Bribery Policy

Audit Qualification Committee (AQC)

The primary role of the Audit Qualification Committee is to review the Audit Reports with proposed modified audit opinions.

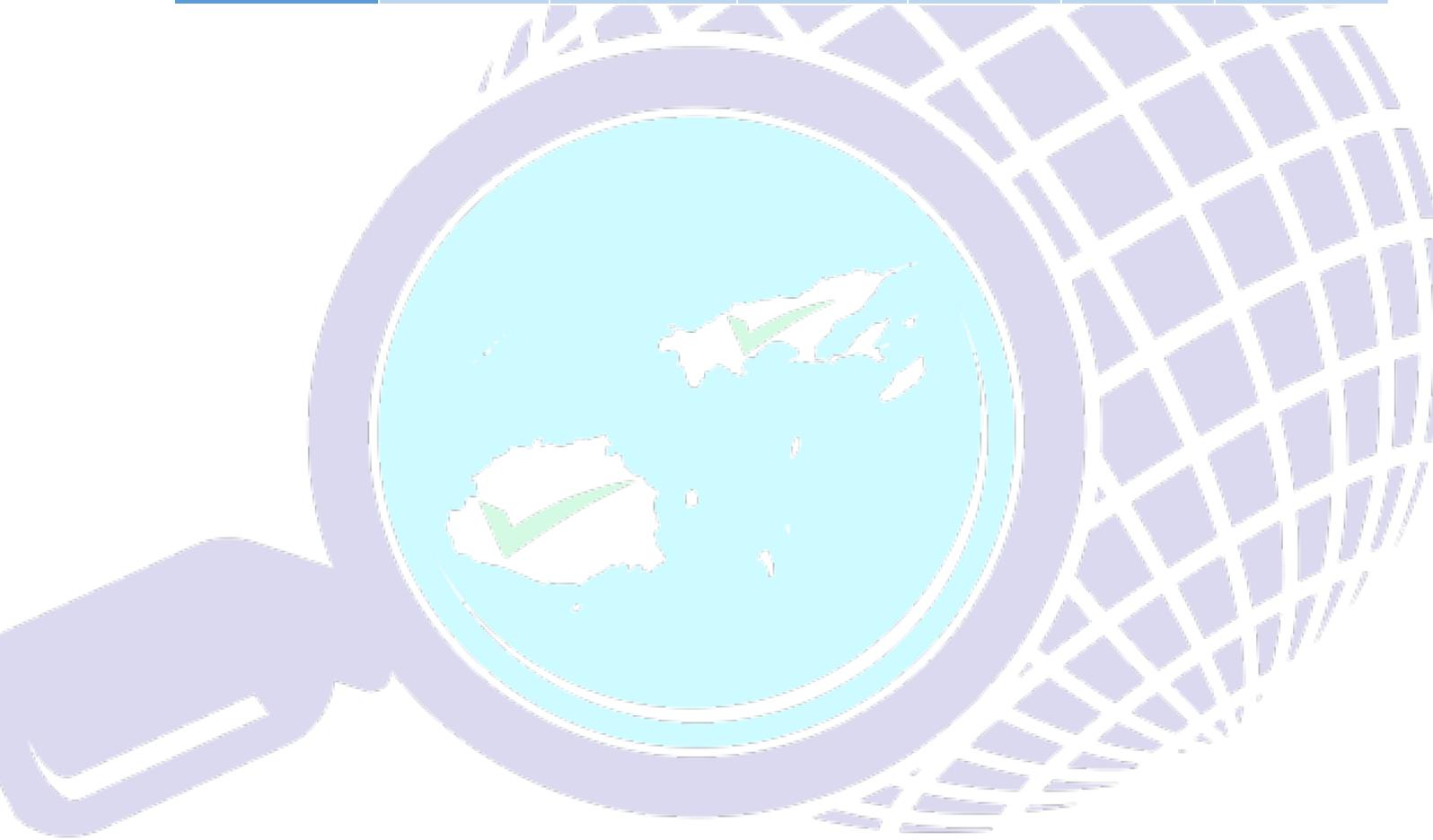
The Auditor-General is the Chairperson of this committee. The other members are Assistant Auditor-General and Deputy Auditor-General.

The Auditor-General issued a total of 70 audit opinions compared to 115 during the 2020 FY.

There were 40 modified audit opinions were issued during FY 2021 compared to 78 during FY 2020.

Entities	Completed FY 2018/2019	Modified FY 2018/2019	Completed FY 2019/2020	Modified FY 2019/2020	Completed FY 2020/2021	Modified FY 2020/2021
Ministries/Departments	26	9	24	10	31	15
Statutory Authority	17	10	15	6	10	3
Government Commercial Company/Commercial Statutory Authority & Off	7	7	12	3	16	9

Entities	Completed FY 2018/2019	Modified FY 2018/2019	Completed FY 2019/2020	Modified FY 2019/2020	Completed FY 2020/2021	Modified FY 2020/2021
Budget State Entity						
Municipal Council	9	9	13	13	5	5
Provincial Council	35	59	44	44	2	2
Projects	12	2	7	2	6	6
Total	106	96	115	78	70	40



Reports to Parliament

The Auditor-General provides an independent assurance to Parliament and the public at large that public sector entities have used public funds for the purposes they have been appropriated for and in accordance with the legislations, financial management rules and regulations. Section 12 of the Audit Act 1969 outlined that.

In 2021, there were 16 Auditor-General Reports tabled in Parliament and the same number of reports being tabled in Parliament for financial year 2020. The Report of the Auditor-General of the Republic of Fiji – Assessing the Office of the Auditor-General- SAI Performance Measurement Framework” was a voluntary report.

Reports To Parliament	Date of tabling
1. Report of the Auditor-General of the Republic of Fiji – Performance Audit on the Administration and Management of Bus Fare Assistance through E-ticketing for the School Children, Elderlies , and persons with Disabilities	31 July 2020*
2. Report of the Auditor-General of the Republic of Fiji – 2018-2019 Audit Report on Municipal Councils	04 October 2020
3. Report of the Auditor-General of the Republic of Fiji – 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities	04 October 2020
4. Report of the Auditor-General of the Republic of Fiji- 2018-2019 Audit Report on Statutory Authorities	04 October 2020
5. Report of the Auditor-General of the Republic of Fiji- Remaining 2018 Audit Report on General Administration, Social Services and Economic Services Sector	04 October 2020
6. Report of the Auditor-General of the Republic of Fiji – Performance Audit on Access of Persons with Disabilities to Public Offices and Public Transports	11 December 2020
7. Report of the Auditor-General of the Republic of Fiji – Performance Audit on the Management of Environment Impact Assessment	11 December 2020
8. Report of the Auditor-General of the Republic of Fiji – Compliance Audit Report	11 December 2020
9. Report of the Auditor-General of the Republic of Fiji – Audit Report on Follow up of High Risk Ministries/Departments	11 December 2020

10. Report of the Auditor-General of the Republic of Fiji –Audit Report on Compliance Audits Relating to COVID-19 Responses	11 December 2020
11. Report of the Auditor-General of the Republic of Fiji – 2017-2018 Financial Statements of Government & 2017-2018 Agency Financial Statements of Ministry of Economy	11 December 2020
12. Report of the Auditor-General of the Republic of Fiji – Assessing the Office of the Auditor-General- SAI Performance Measurement Framework	10 February 2021
13. Report of the Auditor-General of the Republic of Fiji – COVID-19 Compliance Audits –Management of Unemployment benefits – Management of Concessional Loan Packages to MSMEs	07 June 2021
14. Report of the Auditor-General of the Republic of Fiji – 2019 Audit Report on Social Services Sector	07 June 2021
15. Report of the Auditor-General of the Republic of Fiji –2019 Audit Report on Infrastructure Sector	07 June 2021
16. Report of the Auditor-General of the Republic of Fiji – 2019 Audit Report on General Administration Sector	07 June 2021
17. Report of the Auditor-General of the Republic of Fiji – 2019 Audit Report on Economic Services Sector.	07 June 2021

The report on Performance Audit on Administration and Management of Bus Fare Assistance through E-Ticketing for the School Children, Elderlies and Persons with Disabilities was tabled during the financial year 2020 but was not included in the annual report. This has been included as 17th Auditor-General’s Report to Parliament.

Performance & Compliance Audit Reports

Our 2020-2021 Performance and Compliance audits

In 2021, the following 6 reports were tabled in the Parliament.

Performance and Compliance audit Reports	Date tabled
1. Performance Audit on the Administration and Management of Bus Fare Assistance through E-ticketing for the School Children, Elderlies , and persons with Disabilities	31 July 2020
2. Performance Audit on Access of Persons with Disabilities to Public Offices and Public Transports	11 December 2020
3. Performance Audit on the Management of Environment Impact Assessment	11 December 2020
4. Compliance Audit Report	11 December 2020
5. Compliance Audits Relating to COVID-19 Responses	11 December 2020
6. COVID-19 Compliance Audits –Management of Unemployment benefits – Management of Concessional Loan Packages to MSMEs	07 June 2020

Special Investigation

The Chairperson of the Board of Housing Authority of Fiji on 15 July 2020 through a Terms of Reference requested the Auditor-General to conduct a Special Purpose Audit (Special Investigation) on lots allotment and awarding of tender for the various subdivision since 01 January 2010 to July 2020.

The Office provided a report to the then Chairperson of the Authority on 30 September, 2020.



The AG presenting the report to the former Chairperson of the Housing Authority Board, Ms. Lorraine Seeto

Details of Financial Audits Completed by Client Type

The Office planned to audit 293 financial statements for this financial year. However, a total of 164 draft financial statements were received for the period of 1 August 2020 to 31st July 2021.

A total of 94 draft financial statements received were for audits in backlog from this financial year and while some were from 2020 relating to Provincial Councils.

During the financial year 2020-2021, 43% were completed compared to 64% during the financial year 2019-20.

The Table below details financial statements received and completed by client type.

Entity	Draft Financials Received	Backlogged Financials Received	Completed (Audit Opinion Issued)	Percentage Completed (%)
Ministries & Departments	61	10	30	49%
Financial Statements of the Government	3	2	1	33%
Independent Bodies & Commission	11	5	3	27%
Statutory Authorities	24	20	10	42%
Government Commercial Companies/ Commercial Statutory Authorities	19	19	13	68%
Municipal Councils	10	10	5	50%
Provincial Councils	28	28	2	7%
Project Audits	8		6	75%
TOTAL	164	94	70	43%

The audits that were in progress were impacted by the following:

- Audits scheduled for the 3rd quarter of the financial year could not be completed due to the disruptions of the pandemic;
- Audits being put on hold due to delay in provision of required records/information;
- Audits could not be carried out as client's premises was used as quarantine facility;
- Delay in advice by client on when to commence the audits;
- The high number of audits in backlog continued to be a challenge for the Office in terms of resourcing them.
- Draft financial statements by these clients were expected to be completed in a short time although was neither practicable nor desirable as resources has already been allocated to clients whose audits were up-to-date.

The Office only outsourced two clients (i) Fiji Development Bank and (ii) Energy Fiji Limited during the financial year.

Impact of Cyber Incident for ITC Network

All application software for the Office are hosted by ITC Data Centre. During April 2021, the Office network including emails were impacted by a cyber-incident targeting the government network.

All OAG applications and database system were restored on the 7th May 2021.

In terms of business continuity during COVID-19, the Office received funding assistance of Euro 11,428.57 or \$27,970.91 to purchase a data recovery server. The assistance was received from International Organization of Supreme Audit Institutions (INTOSAI). The Office was able to purchase the server on 11 June 2021 which is now operational to replicate our Navision, Payglobal and ESS application and database for continuity purposes.

Our Reports and the Parliament

Our relationship with Parliament

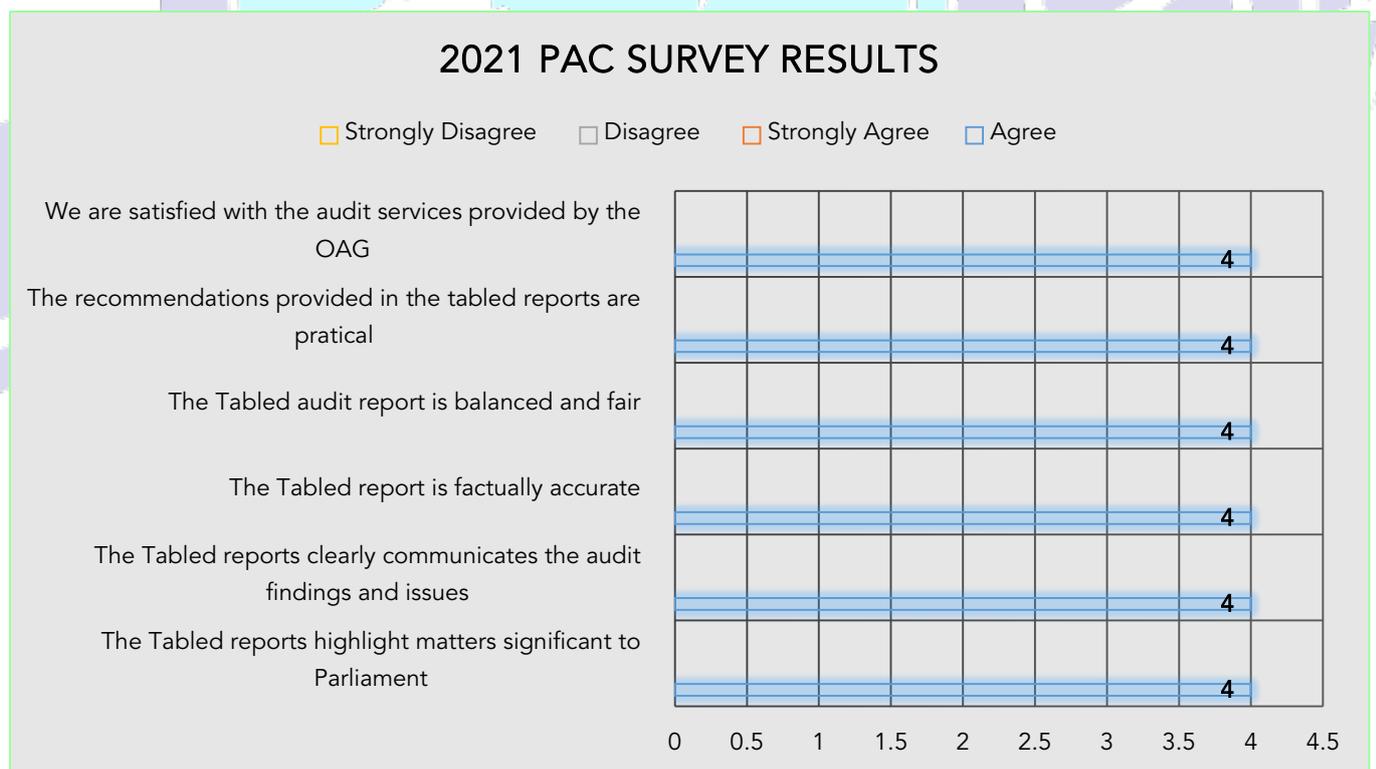
The Parliament requires reliable and timely information on the operation of state entities and the use of public money. Aside from providing Parliament with independent audit opinions on public sector financial statements, OAG also provides Performance audit reports which are inclusive of Compliance and IT audits.

Our reports, after being tabled in Parliament are referred to the Standing Committee on Public Accounts or Public Accounts Committee (PAC).

The Public Accounts Committee

The Standing Committee on Public Accounts is a very significant stakeholder of the OAG. The PAC holds the entities we audit accountable for implementing the recommendations in our reports. The PAC also reports to Parliament after scrutinizing the OAG reports.

Each year the Office conducts a survey to determine the level of satisfaction the PAC has with the Office. This survey also provides an avenue for the Committee to give their feedback to help better the services provided by the OAG. The results of the 2020-2021 PAC Survey are presented below.



The graph above depicts that the PAC is generally satisfied with the services provided by the Office and agree that the OAG reports being factual and clearly communicating the audit findings or issues.

Engagements with Clients and other stakeholders

OAG strives to continually engage with its stakeholders throughout the year. Some methods of doing this are through entry and exit meetings-

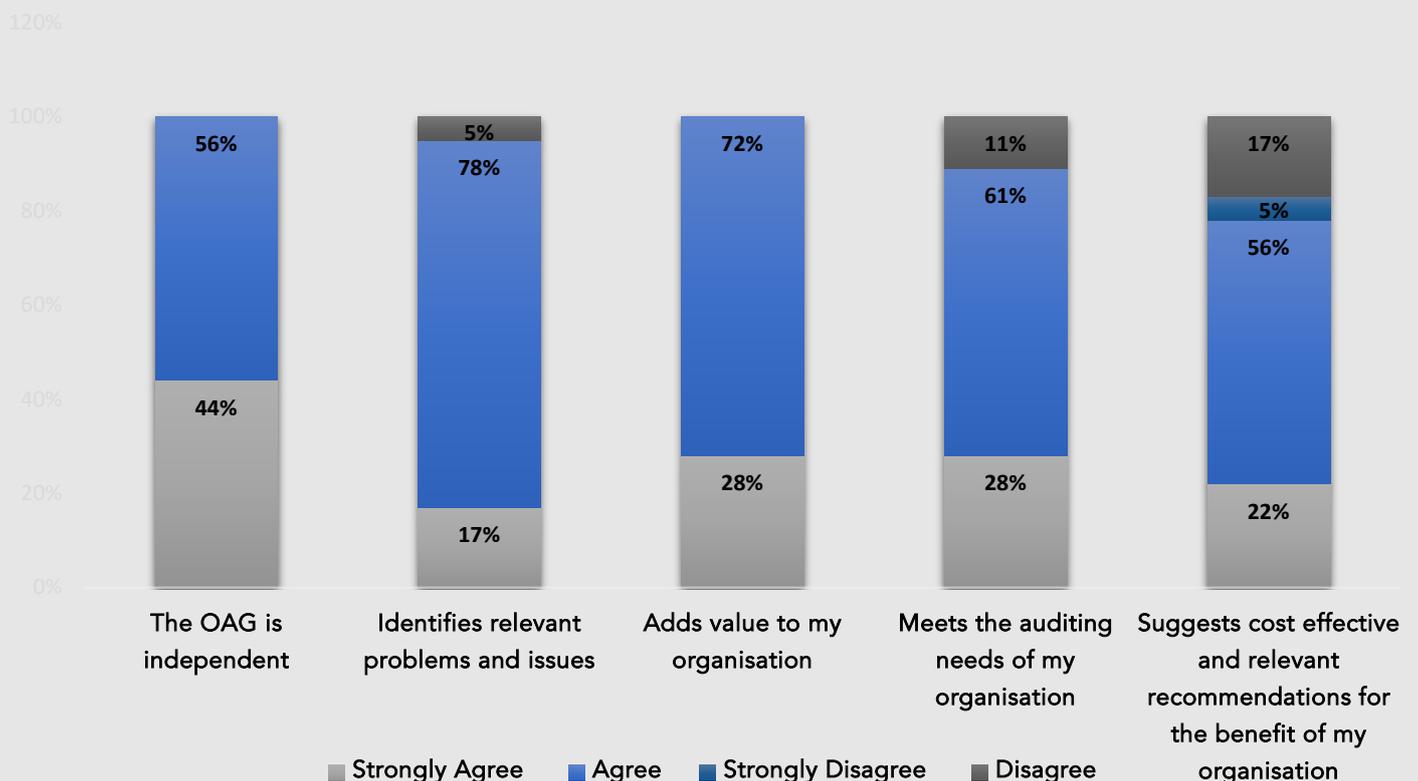
An annual client survey are also conducted during the financial year with our clients to gauge our services and request feedback to help us further improve the quality of our audits.

The Office during July 2021 was not able to receive responses from all clients as majority were either working from home or had limited access to required information and internet services during the restrictions placed because of the pandemic.

The OAG is currently in advanced discussions with a multilateral partner to organize a stakeholder engagement workshop targeting civil society organizations, amongst others.

The graph showcases that our clients generally remarked OAG as being independent and adds value to their organizations through the audits we conduct.

Characteristic of the Office of the Auditor-General



Our People

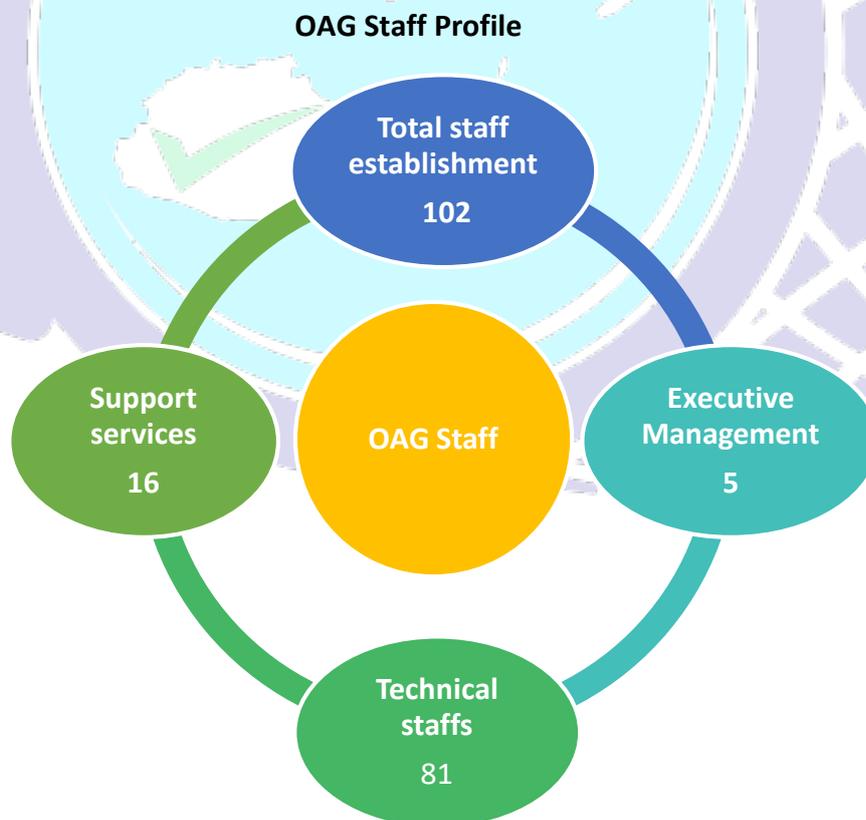
The Corporate Services Group

The Corporate Services Group provides high-level administrative support in various aspects such as operational support, research, and advice to management on administrative matters such as people management, financial planning, communications, talent management, IT support services.

The Group also ensures that our services are effectively operational and maintained at all times and responsive to the needs and aspirations of our staff, stakeholders and to the general public

Human Resources (HR)

The OAG had a total staff establishment of 102 of which, eighty-eight (88) positions were filled by staff as at 31st July, 2021. These included 79 positions at the Suva Office and 9 positions for the Nadi Office.



COVID -19 and its impact on staffing

The Office was closed from 26 April 2021 due to the impact of the second wave of COVID 19 and Officers were given options to work from home or an opportunity to utilize leave and subsequently reduce the annual leave liability cost.

The Office developed and approved a Pandemic leave Policy on 10 May 2021. The objective of the policy were to (i) prevent or reduce the risk of potential spread of illness (ii) staff who are feeling sick do not to report to work (iii) Comply with advisories from Ministry of Health & Medical Services.

The Office lost 4,784 hours of productive time costing \$18,158 during the temporary closure from 26 April 2021 to 30 August 2021,

The Office will recover 50% of the loss as a condition in the policy through work after hours during the six-month period from the date the Office progressively opened from 30 August 2021.

The amount of 2,392 hours to be recovered which is equivalent to \$9,079 has been disclosed in the audited financial statements for this year.

Client COVID-19 Safety Plan

The Office carried out a survey during the lockdown period with our clients with an objective to strategize COVID-19 safe work practices as a means to work smart during the pandemic.

Professional Development

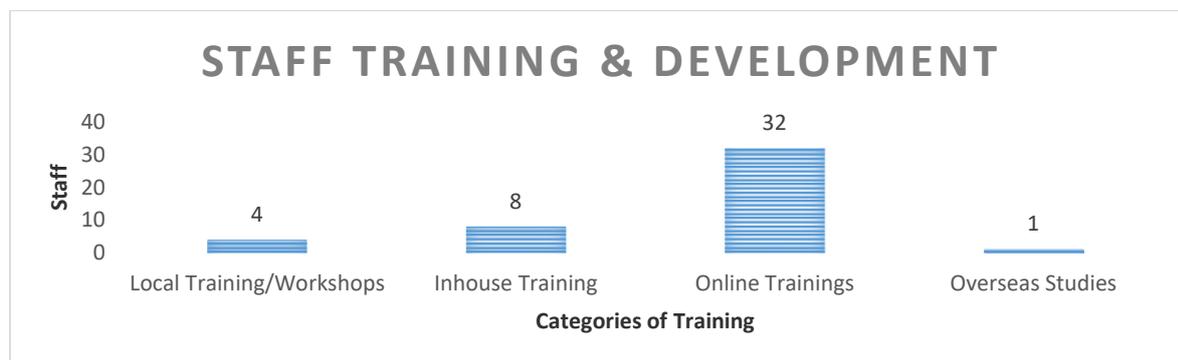
Human capital is our most valuable asset. The Office was committed to provide learning and development programs to enhance the staff professional development. The training opportunities has created a supportive, competitive and skill workforce.

During this year, a total of 44 (2020: 53) trainings were attended by staff. However, with the impact of COVID-19, participation through online training platform increased to 32 compared to 11 in 2020.

One of our staff who was on overseas studies from October 2019, completed his studies after returning to the country due to border closure following COVID 19.

The Office acknowledges the assistance of Chinese Government for provision of overseas scholarships to our staff to this post-graduate courses over the years where 3 officers benefitted on this opportunity.

The graphical representation below shows our staff development activities relating to training & development.



The following table provided numbers of training over the 5 years from 2017 to 2021 by mode of training.

No of Trainings, Workshop and Seminars					
	2016-17	2017-18	2018-19	2019-20	2020-21
Local Training/Workshops	9	25	22	28	12
Online Trainings	2	1	6	11	32
Overseas Trainings	6	15	15	4	0
Overseas Secondment		1			0
Overseas Meetings	6	16	14	9	0
Leadership Fiji Program		1	1		0
Overseas Studies	1	1		1	0
Total	24	60	58	53	44

The local training carried out for staff included:

- Open Merit Recruitment & Selection Training
- FIA Seminars
- Managing Stress during COVID-19
- Public sector Fraud & Corruption & Investigation
- Various Accounting Standards Refresher Training (In house)

The Office acknowledges the training opportunities received from our affiliates such as the Pacific Association of Supreme Audit Institution (PASAI), INTOSAI Development Initiative, and other developing partners which enabled our staffs to get engaged in series of online workshops during the financial year.

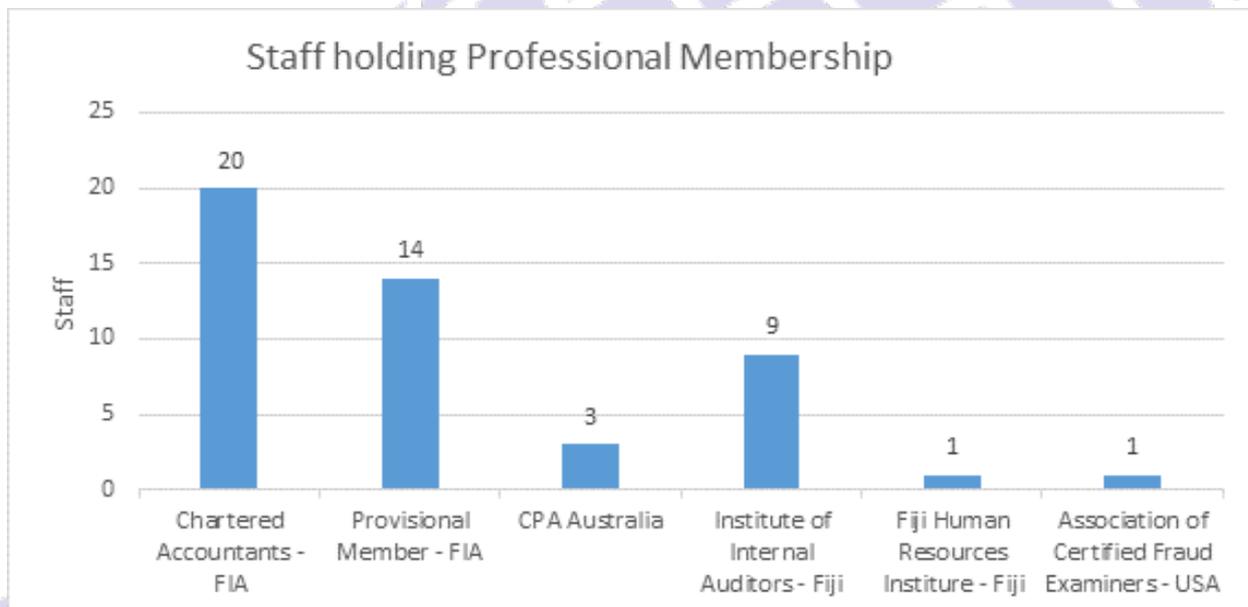
Our Induction program

During January 2021, a 3-day induction program was held for our new recruits to introduce them to our terms and conditions of employment, office expectations, policies and guidelines, overview of OHS requirements, Teammate software and other information key to a new appointee.

In total, 12 staff participated in the 2021 induction program.

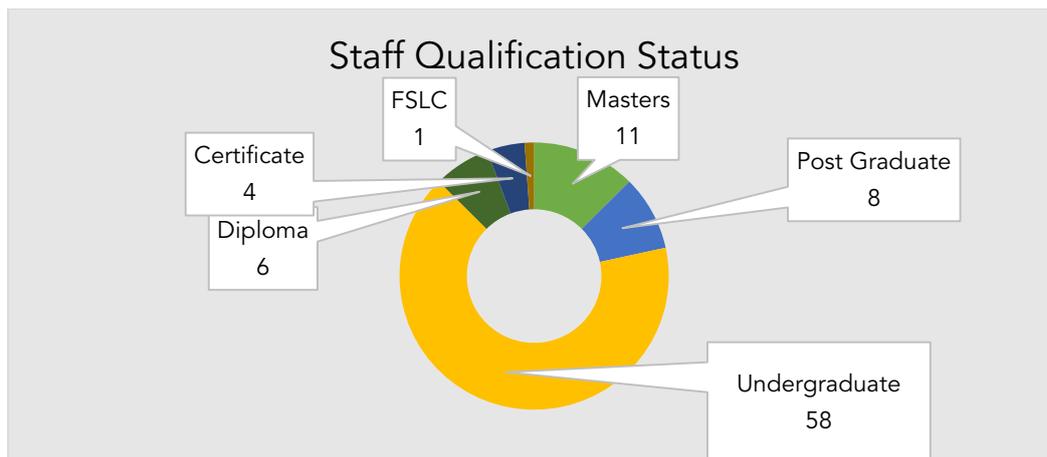
Encouraging professional qualifications

The Office continues to encourage staff to gain professional qualification. Summarized below is graphical representation of our staff holding professional memberships



Educational Background

Represented below are the staff educational qualification analysis. Staff undertaking further studies were also granted study leave to prepare for exams and to attend final exam on the day of the examination.



Staff Ethics

The OAG staff adhere to the values and principles under section 123 of the Constitution of the Republic of Fiji. A number of policies have also been developed such as Human Resource Policies that are part of the terms and conditions of employment.

The Office has implemented the Code of Conduct and Ethics where staff formally make a Commitment statements on the following: have received and agreed to read OAG Code of Conduct & Ethics Policy and Acknowledgement

- understand that by signing the Code of Conduct & Ethics, staff will pledge to demonstrate exemplary behavior which emphasizes OAG Vision, Mission and Strategic Plan 2021-2025.
- understand the provisions of OAG Code of Conduct & Ethics Policy are mandatory and the compliance with the standards, policies, procedures and other provisions contained in OAG's Code of Conduct & Ethics Policy and Contract of Service is a condition of staffs continued employment or association with OAG.
- also understand that OAG reserves the right to occasionally amend, modify, and update the OAG Code of Conduct and the provisions set forth in the OAG's Code of Conduct & Ethics Policy.
- also acknowledges been fully complied with the terms and provisions of the Code during the period of time since the most recent Initial or Annual Acknowledgement provided by staff
- further acknowledges that the OAG Code of Conduct is only a statement of principles for individual and business conduct and does not, in any way, constitute an employment contract assurance of continued employment.

There are commitment statements for third party who are engaged with OAG and also sign to acknowledge of our expectations and requirements including:

- Personal and professional behavior
- Conflicts of interest
- Official and confidential information
- Use of official facilities and equipment
- Public comment and or announcements
- Under the Influence - Alcohol and drugs
- Compliance with Laws, rules and Regulations
- Product, Service and Supplier Agreement
- Breaches of the Code.

The policies approved by the Office are available on the OAG website: www.oag.gov.fj

Employee Profile

The OAG staff establishment is classified as 5 for Executive Management, 81 technical (audit) staffs and 16 in support services.

From a total of 102 positions, 14 positions were vacant as of 31 July, 2021. The Office had restructured its organizational structure with effect from 1 August 2020 created three Assistant Auditors-General and seven Senior Manager positions and a Manager Quality Assurance & Customer Advisory Services.

The Office acknowledge Government for funding the position for Assistant Auditor-General. The Office will seek funding for Senior Manager positions in the next budget cycle.

To create employment to cushion the impact of the COVID-19 pandemic and increase staffs to complete audits, the Office de-established five Graduate Auditor positions to create 10 Contract Graduate Auditor positions. This is temporary measure and will be reviewed annually based on resource requirements.

These project positions were engaged for 6 months' employments in 2020-21 and extended their employment to 31 January 2022.

The staff profile is tabulated below.

Position	Total	Male	Female	Vacant
Auditor-General	1	1	0	0
Deputy Auditor-General	1	1	0	0
Assistant Auditor-General	3	2	1	0

Position	Total	Male	Female	Vacant
Senior Manager	7	2	1	4
Audit Manager	9	5	3	1
Senior Auditor	19	12	5	2
Auditor	22	4	16	2
Graduate Auditor	12	2	8	2
Contract Graduate Auditor	10	3	7	0
Manager Corporate	1	0	0	1
People Management Specialist	1	0	0	1
Talent Management Specialist	1	0	1	0
Senior Accounts Officer	1	1	0	0
Executive Personal Assistant	1	0	1	0
Communications Officer	1	0	1	0
Risk & Compliance Officer	1	0	1	0
Manager Quality Assurance & Customer Advisory	1	0	0	1
Senior Quality Assurance Officer	1	0	1	0
System Analyst/ Network Administrator	1	1	0	0
Executive Support Officer	1	0	1	0
Admin Assistant	1	0	1	0
Accounts Assistant	2	0	2	0
Administrative Support Officer	3	2	1	0
IT Support Officer	1	1	0	0
Total	102	37	51	14

Current workforce by gender is 58% being female and 42% are male.

Occupational Health and Safety

The Office has an Occupational Health and Safety (OHS) Committee which provides a forum for employees and management to work together to solve health and safety issues that may arise.

The OHS Committee meets on a quarterly basis to discuss any issues relating to staff health and safety. To promote wellness amongst the staff work-life balance, team building programs were also organized prior to the restrictions brought by the COVID-19 pandemic.

The OHS Committee also organized a virtual awareness session on 18 July 2021 for all staffs on dealing with change from impacts of COVID-19 from Empower Pacific during the movement restrictions period.

Grievance Resolution

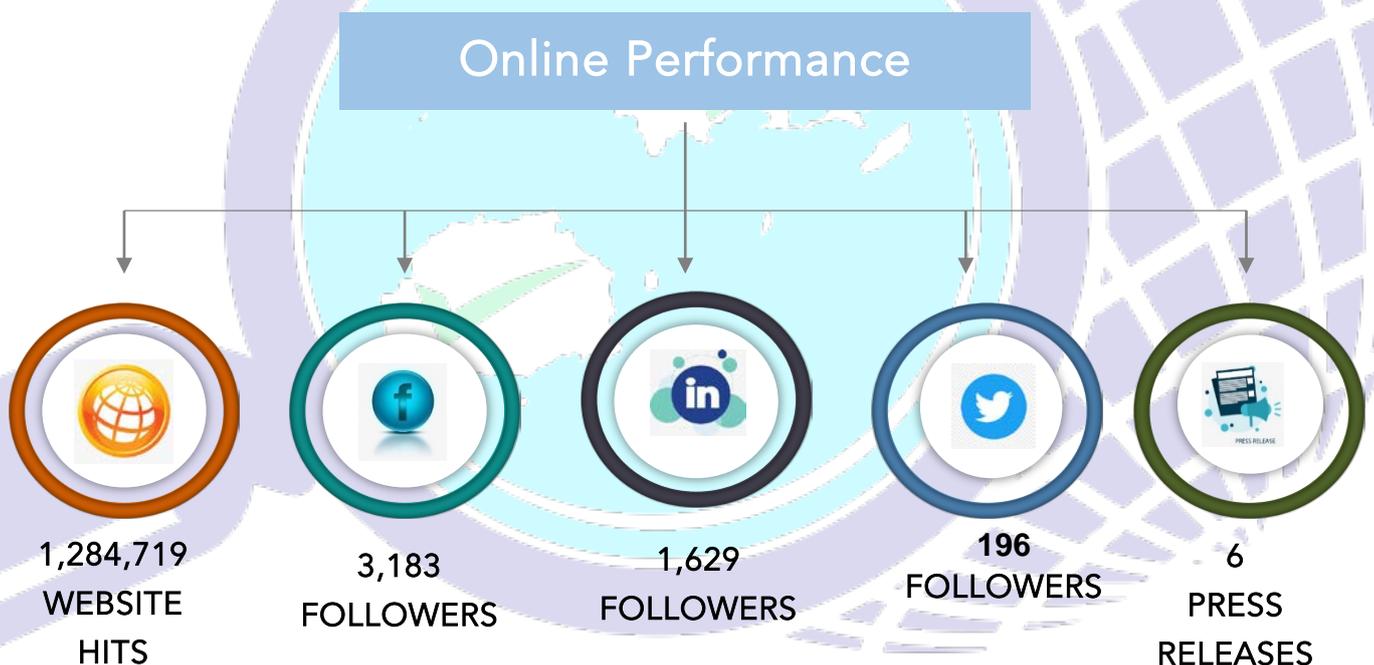
The OAG Grievance Policy is a great tool that the Office utilizes to provide fair and transparent processes for the resolution of these complaints or grievances.

Some significant practices the office has adopted are counselling, consultation, co-operation and mediation to reach amicable resolution. There were no grievances registered formally by the Staff.

Communications

The Communications team facilitates internal and external communications of the Office. The Communications Officer is also charged with the responsibility of leading the OAG outreach and awareness initiatives while also creating content for the official social media pages and the OAG website.

Some other outputs of the Communications team include production of the OAG newsletters each quarter, drafting press releases and facilitating official communications.

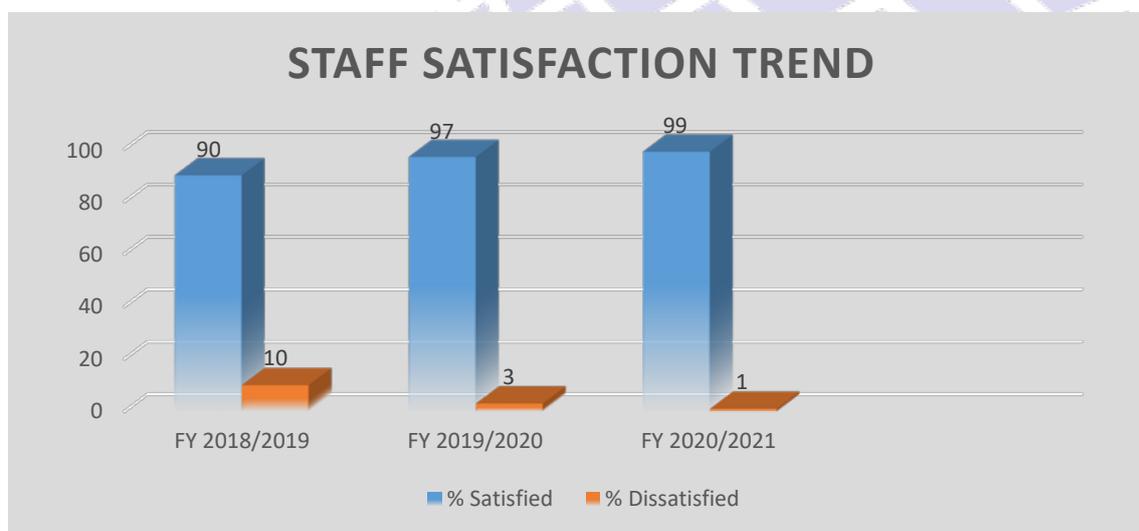


Staff Engagement

Employees are one of the most important resources of the Office and their views are very significant when it comes to decision making by the Executive Management. The Office promotes a culture of mutual respect and trust, client focus and continuous innovation.

While meetings with the staff was mostly done virtually due to COVID-19 restrictions, Executive Management virtually interacted with staffs regularly when COVID-19 restrictions were put into place.

Below is a graph showcasing the trend for staff satisfaction over the past few years.



Each year the OAG staff satisfaction percentage continues to rise. For the FY 2020/2021 there was a 99% satisfaction rating. The increase in satisfaction rating can be attributed to the attention the Executive Committee gives to the feedback provided by the employees each year. All attempts are made to cater to the concerns of the OAG staff.

Social Information

The OAG Sports and Social Club plays a pivotal role in promoting staff bonding across business units. The club continually organizes events and gatherings to bring the office together, the committee executives are elected annually and for the whole year take charge of also organizing events such as the Mid-Year function, Fiji Day, Women's Day, Pinktober, Diwali and Eid Celebrations.

The biggest event each year on the committee's calendar is the Year end function and awards night, this financial year, the event was held at the InterContinental Fiji Golf Resort & Spa on 12 December 2020. The awards and their recipients are as follows;

1. Outstanding Graduate Auditor – Ms. Shayal Raj

2. Outstanding Auditor – Mr. Sitiveni Naivota
3. Outstanding Senior Auditor – Mr. Mitieli
4. Outstanding Audit Manager – Mr. Samuela Tupou
5. Outstanding Audit Group – Performance Audit Services
6. Outstanding Sportsman – Mr. Zoyal Ali
7. Outstanding Sportswoman – Ms. Perna Autar



The A-G awarding the Outstanding Audit Group trophy to Performance Audit Group

Overseas Training Opportunity from Nanjing Audit University, China with Honours

Mr. Risiata Baba completed his Master of Auditing program with Nanjing Audit University. Risiata is the third Officer to be supported by the Office for this opportunity since 2017.

Mr. Baba shared that “It was an intriguing and a life time changing experience for many as brilliant minds from various SAIs (Supreme Audit Institutions) and organizations of diverse backgrounds and cultures around the globe converging into the intellectual pastures of Nanjing Audit University”.

He acknowledged the Government of the People’s Republic of China and the support of his employer, the Office of the Auditor-General for this once in a life time opportunity in offering scholarships to pursue Master’s Degree in Auditing and to appreciate the extraordinary Chinese culture and values.

Mr. Baba highlighted he could not have envisioned completing his studies in China as the extraordinary circumstances posed by Covid19 had made everyone work harder under difficult conditions. He said, the long academic year was a bitter-sweet journey.



Mr. Risiata Baba graduated with Masters in Auditing Program (graduated with honors in June, 2021) and has resumed duties with the Office.

OAG'S SOCIAL INITIATIVES

OAG strives to continually engage with all its stakeholders, including its staff as frequently as possible. However, during the financial year, Cyclone Ana and then the upsurge in the COVID-19 cases impacted majority of the Offices engagement activities.

Here is a summary of OAG's outreach and social initiatives.



OAG staff during the Fiji Day Celebrations

OAG celebrated Fiji's 50th year of independence in a grand style.

A celebration was held on 9th October 2020 which brought together some of OAG's former staff who shared their inspiring stories with the younger generation of auditors.

A special corporate video was also launched to mark the significant event.



OAG Staff at the Waqadra ground

To celebrate Fiji's 50th year of Independence, OAG also participated in the Mark Fiji50 by planting a tree as an organizational (OAG) team building activity.

This was facilitated by the Ministry of Forests which was held on 17th October 2020, by planting mangrove seedlings along Tikaram Park foreshore, Lami and Waqadra ground in Nadi.



OAG Staff during the Pinktober

To commemorate Pinktober, OAG held an afternoon tea on 30 October 2020 to collect funds for the Fiji Cancer society and to also raise awareness about breast cancer.



The Nadi Office Staff at the Vunayasi District School

The Staff of OAG Nadi Office were delighted to visit the Vunayasi District School students on Friday 27 November 2020 to handover used furniture” to help support their educational needs.



OAG staff at the Sanasana village

OAG Staff also visited the Sanasana Village in Sigatoka with food hampers on Saturday 12 December 2020.

A food drive was organized within the Office to assist the villagers who were affected by the global pandemic and faced unemployment and loss of their source of income.



OAG celebrated International Women's Day

OAG Fiji strongly supports women empowerment and gender equality. The Office celebrated International Women's Day on Friday 05 February, 2021.



OAG Drawing & Essay competition

The OAG Drawing & Essay competition was the most significant outreach event by OAG in the last financial year.

The Office would carry out more of this in the future

Official Engagements



Mrs Meresimani Vosawale while participating in the APIPA Conference

The Office presented its story at the 31st Annual Association of Pacific Islands Public Auditors (APIPA) conference on the topic "Quality Control & Quality Assurance" on 13 August 2020.

The virtual conference commenced on 03 August 2020 and ended on 14 August 2020.



The A-G Mr. Nand, The Chef de mission to Fiji Mr. Thamaga and the DAG Mr. Dukuno

The South African Chef de mission to Fiji H.E. Bingo Thamaga paid a courtesy visit to the Auditor-General on Friday, 19 February 2021.

With support from the South African High Commission in Fiji, the Office through PASAI has been able to host technical experts from the African Organization of English-Speaking Supreme Audit Institutions (AFROSAI-E) to facilitate technical workshops in Fiji over the last 3 years. OAG Fiji and the South African High Commission in Fiji will continue to strengthen its relationship through similar partnerships.



The AG and the Deputy Commissioner of FICAC Mr. Aslam with members of the OAG Executive committee and staff

The Office of the Auditor-General (OAG) has joined the 'I don't accept bribes' campaign by the Fiji Independent Commission Against Corruption (FICAC).

The Deputy Commissioner of FICAC Mr Rashmi Aslam was present during the launch at OAG Office and badged the Auditor-General as well.



The Auditor-General, Mr. Ajay Nand

The Auditor-General of Fiji, Mr. Ajay Nand virtually attended and chaired the 23rd PASAI Congress hosted by the New Zealand Controller and Auditor-General on 22 June 2021.

He also virtually attended the AGM on 4 September 2021 and was attended by PASAI development partners from MFAT, DFAT, the European Union and the World Bank.



OAG Virtual Planning Workshop

The Office of the Auditor-General for the first time in history held a two-day virtual planning workshop from 30 June – 1 July 2021.

The virtual workshop also had maximum number of participants actively contributing towards the business plan for the new financial year.

OUR FINANCES



Financial Performance

Budget Appropriation

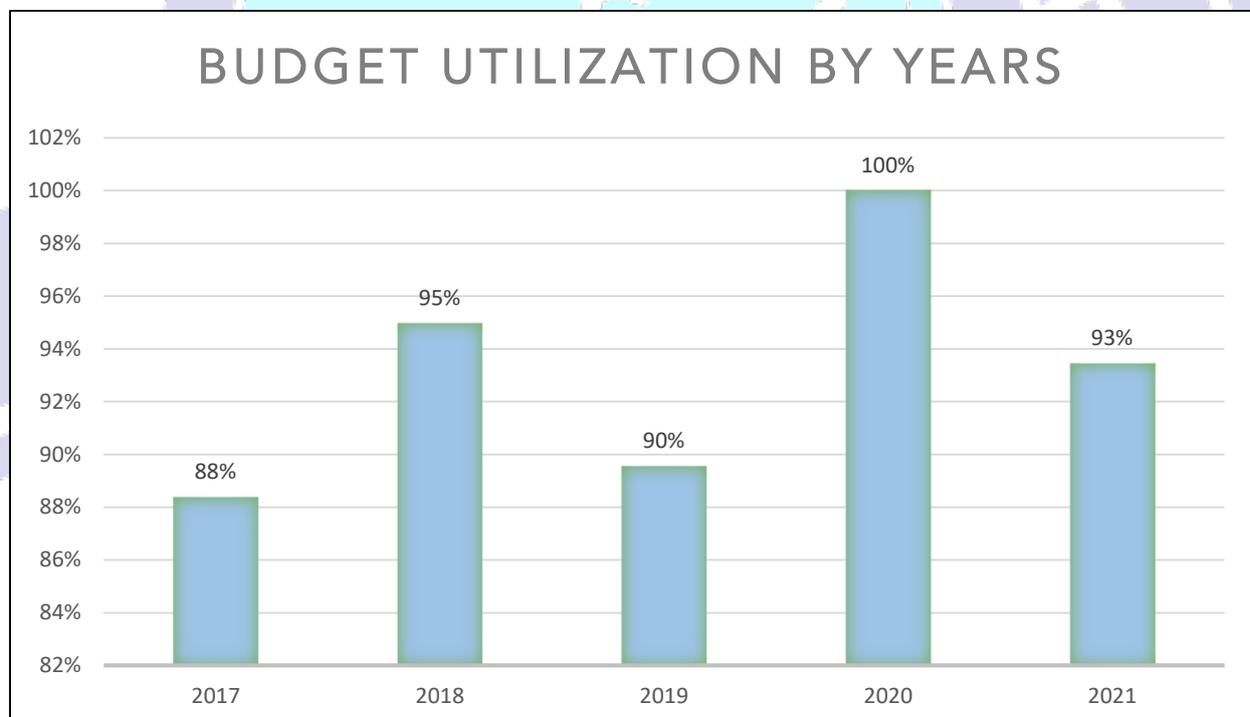
In the 2020/2021 financial year, a sum of \$5.0 million was allocated for the Office of the Auditor-General to carry out its duties as mandated by the Constitution. This was a decrease of almost \$560,000 from the previous year's 2019/2020 revised budget which was due to cost control measures made in operational expenditures across Government.

The Audited financial statements is in Appendix 1.

Tabulated below are the budget appropriation and actual expenditures incurred by the Office for the past five years:

Financial Year	2017	2018	2019	2020	2021
Budget Appropriation (\$)	4,331,018	4,612,843	6,623,600	5,606,269	5,048,231
Total Expenditure (\$)	3,767,805	4,480,933	5,932,038	5,606,269	4,717,549
Percentage of Budget Utilized (%)	87%	95%	90%	100%	93%

Refer below for graphical presentation of the percentage of budget utilized for the past five years:



Audit Fees

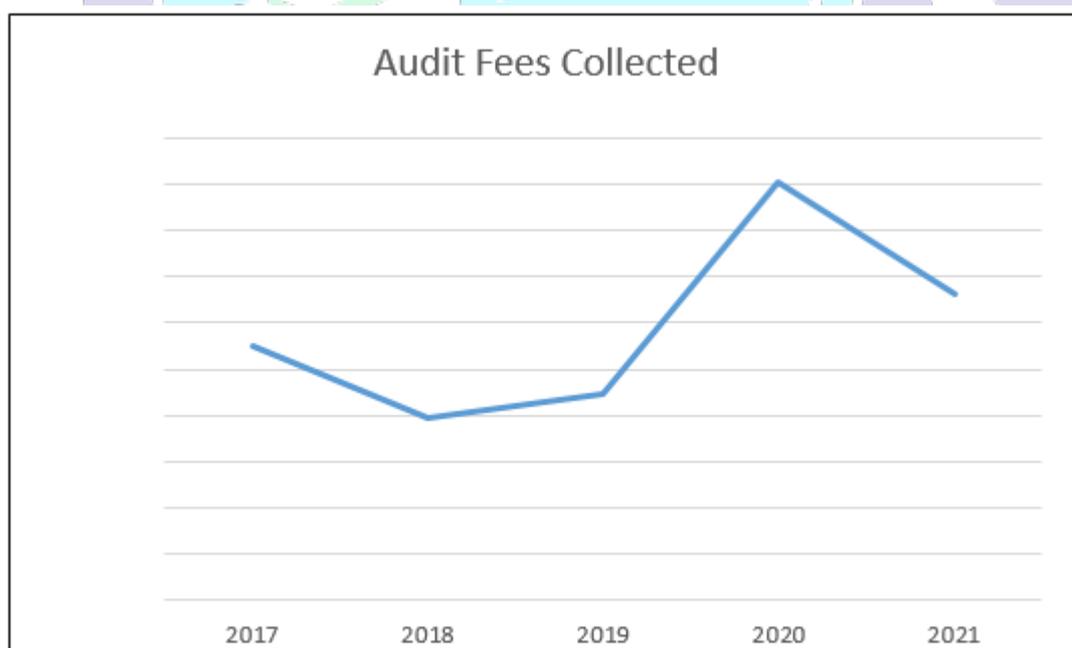
Collections

The total revenue collected for FY 2021 was \$664,100 compared to \$905,292 in year 2020, a decrease by \$241,192 or 26.6%.

During this financial year, only 43% of the accounts received for audit were finalized by 31 July 2021 (audit reports being signed off at this date). The reduced revenue was partly attributed to the following:

- i. Impact of COVID 19 lockdown during the second wave from April 2021 until the Office progressively opened from 30 August 2021;
- ii. accounts sent for signing have not been returned for the issuance of audit report;
- iii. huge number of backlogged audits;
- iv. accounts not finalized from previous financial year were completed during this FY;
- v. delay in submitting acceptable financial statements;
- vi. delay in provision of records/information required for audit purposes; and
- vii. unavailability of key personnel charged with governance to sign audited financial statement.

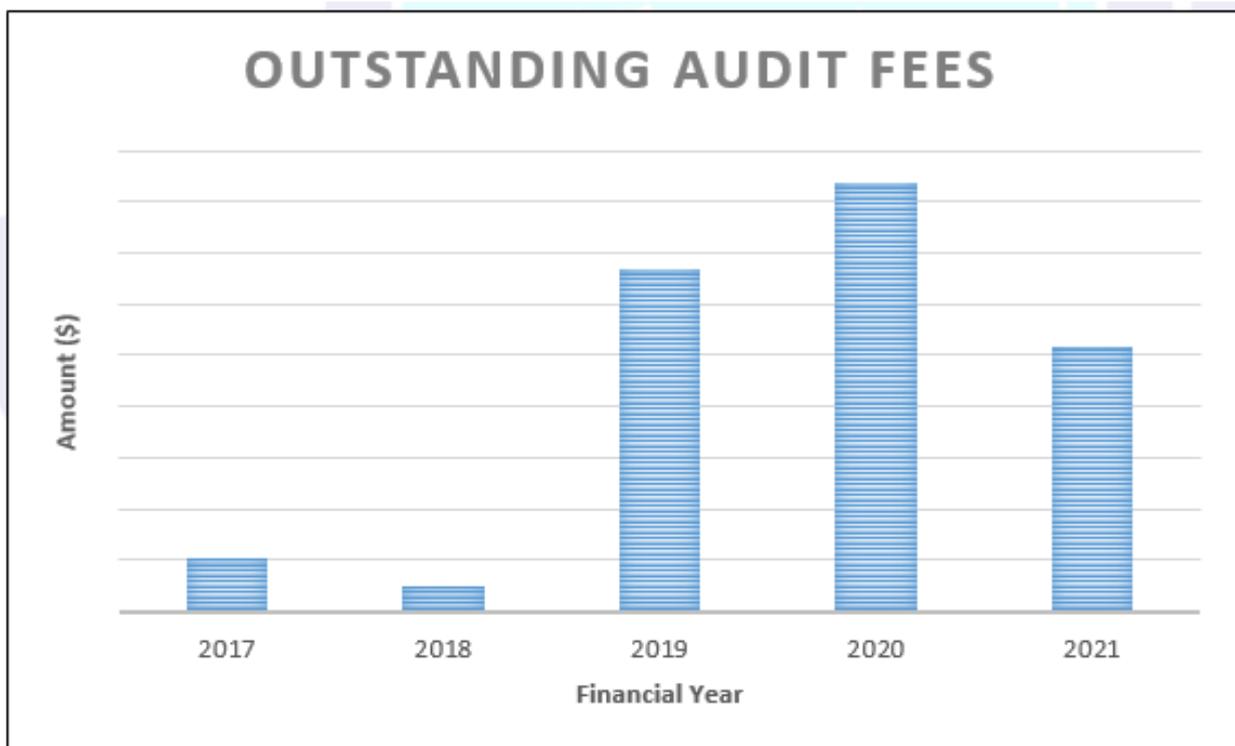
Financial Year	2017	2018	2019	2020	2021
Audit Fees Collected (\$)	549,965	393,753	446,872	905,292	664,100



Accounts Receivable

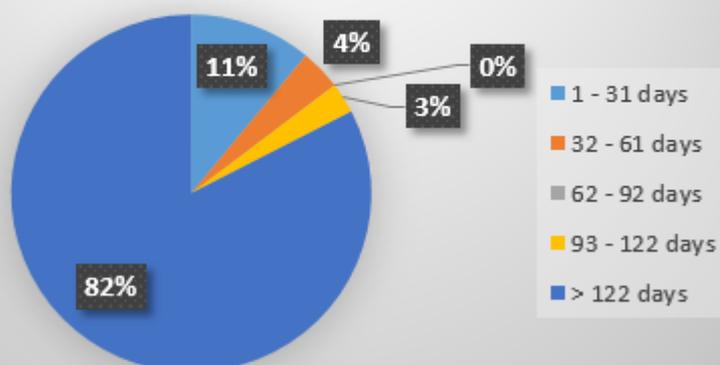
On the other hand, outstanding audit fees reduced by 38.2% from \$418,518 in 2020 to \$258,830 in 2021. The high rate of collection was a result of the collaboration between the OAG and the audited clients for payment of outstanding audit fees.

Refer to graph below the outstanding audit fees for the last 5 financial years:



- As at 31 July 2021, 82% of the outstanding audit fees were in the greater than 122 days ageing bracket. Majority of these were audit fees owed for audits carried out for provincial councils. The Office subsequently received audit fees payment of \$134,679 in October 2021 for the audit of Provincial Councils.
- The remaining were in the 1-31 days (11%), 32-61 days (4%) and 93-122 days (3%) ageing range.

Accounts Receivable as at 31 July 2021



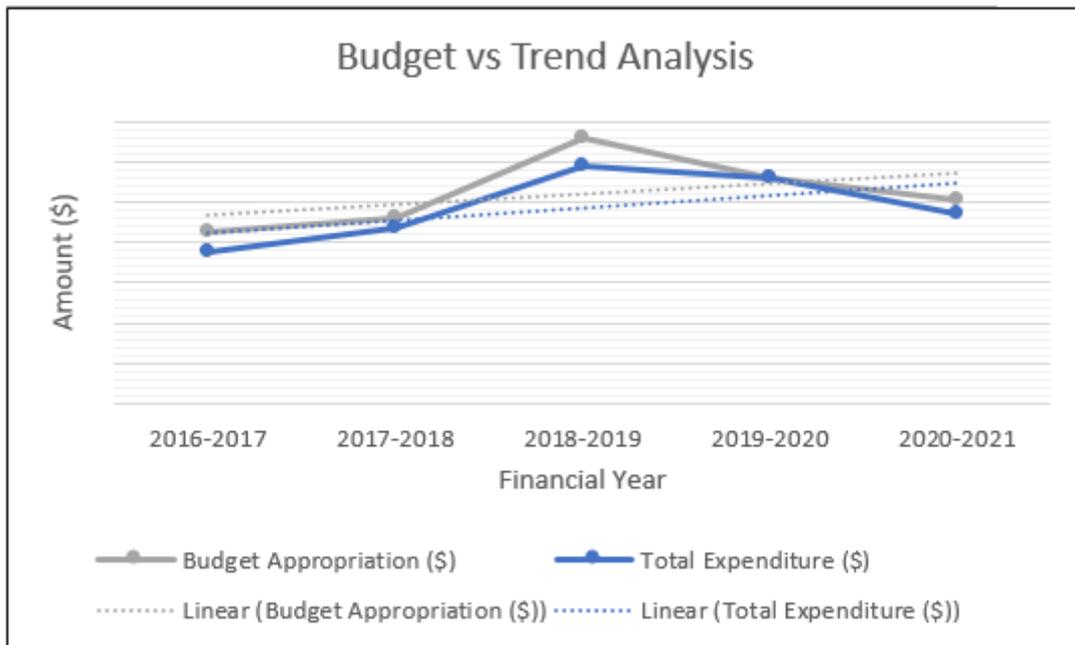
Ageing	Accounts Receivable
1 - 31 days	\$ 28,430.63
32 - 61 days	\$ 9,522.69
62 - 92 days	\$ -
93 - 122 days	\$ 7,171.01
> 122 days	\$ 213,705.93
	\$ 258,830.26

Operating Expenses

Statement of Appropriation for the FY Ended 2020-2021

SEG	Item	Budget Estimate	Initial Revision	Revised estimate	Actual Expenditure	Carry-over	Lapsed Appropriation
SEG 1	Established Staff	4,770,028	(40,000.00)	4,730,028	4,161,531	-	568,498
SEG 2	Government Wage Earners	34,299	-	34,299	47,262	-	12,962
SEG 3	Travel and Communications	35,000	10,000.00	45,000	43,030	-	1,970
SEG 4	Maintenance and Operations	75,850	(2,000.00)	73,850	104,730	-	30,880
SEG 5	Purchase of Goods and Services	98,977	32,000.00	130,977	306,507	-	175,530
SEG 6	Operating Grants and Transfers	5,591	-	5,591	-	-	5,591
	Total Operating Costs	5,019,746	-	5,019,746	4,663,059	-	356,686
VAT	Value Added Tax	28,485	-	28,485	54,490	-	26,005
	TOTAL EXPENDITURE	5,048,231	-	5,048,231	4,717,549	-	330,682

Trend Analysis of Operating Expenses vs Budget Appropriation



- As illustrated by the trend analysis in the above graph, there has been a steady increase in the Budget Appropriation and Total Expenditure for the past five financial years.
- However, as a result of COVID-19 pandemic, the budget for the financial year had reduced. In addition, expenditure further reduced due to the 2nd outbreak of COVID-19 in April, 2021.
- Despite this, the Office of the Auditor-General (OAG) was committed to its vision of promoting public sector accountability.



OFFICE OF THE AUDITOR GENERAL
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 JULY 2021

**OFFICE OF THE AUDITOR GENERAL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

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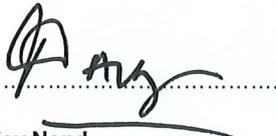
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**OFFICE OF THE AUDITOR GENERAL
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2021**

We certify that the accompanying Financial Statements:

- a) fairly reflect the statement of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows of the Office of the Auditor-General for the year ended 31 July 2021; and
- a) have been prepared in accordance with the requirements of the International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs), Financial Management Act 2004 and the Finance instructions.

Dated at Suva this 3rd day of November 2021



Ajay Nand

Auditor-General



Sairusi Dukuno

Deputy Auditor-General

INDEPENDENT AUDITOR'S REPORT

To the Minister of Economy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Office of the Auditor General ("the Office"), which comprise the statement of financial position as at 31 July 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Office as at 31 July 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Office is responsible for the other information. The other information comprises the statement of the Office but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The management and the Office are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and for such internal control as the management and the Office determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Office or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.

INDEPENDENT AUDITOR'S REPORT *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Ernst & Young
Chartered Accountants



Sikeli Tuinamuana
Partner
Suva, Fiji

3 November 2021

**OFFICE OF THE AUDITOR GENERAL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021**

	Notes	31 July 2021	31 July 2020
		\$	\$
Income			
Grant Income	4(a)	4,688,466	5,594,215
Interest		30	-
Other income	4(b)	10,180	-
Total Income		4,698,676	5,594,215
Expense			
Salaries, wages and other benefits	5(a)	3,923,245	4,557,910
Travel, accommodation and communications	5(b)	43,209	166,529
Maintenance	5(c)	8,903	31,874
Contract audit fees	5(d)	71,400	85,727
Other operating expenses	5(e)	239,879	325,648
Computers & IT services	5(f)	33,399	74,995
Special expenditure	5(g)	-	136,599
Depreciation expense	8(b)	65,687	63,907
Amortization expense	9	17,251	17,251
Annual leave expense		230,883	78,745
Audit fees		8,400	9,156
Total Expenditure		4,642,256	5,548,341
Net surplus for the year		56,420	45,874

The accompanying notes form an integral part of this Statement of Comprehensive Income.

OFFICE OF THE AUDITOR GENERAL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

	31 July 2021	31 July 2020
	\$	\$
Balance as at 1 August	(249,074)	(294,948)
Net surplus for the year	56,420	45,874
Balance as at 31 July	<u>(192,654)</u>	<u>(249,074)</u>

The accompanying notes form an integral part of this Statement of Changes in Equity

**OFFICE OF THE AUDITOR GENERAL
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021**

	Notes	31 July 2021	31 July 2020
		\$	\$
Current assets			
Cash and cash equivalents	6	365,561	7,085
Other current assets	7	48,295	38,802
		<u>413,856</u>	<u>45,887</u>
Non-current assets			
Property, plant and equipment	8	140,740	155,916
Intangible assets	9	41,689	58,940
		<u>182,429</u>	<u>214,857</u>
Total assets		<u>596,285</u>	<u>260,744</u>
Current liabilities			
Accounts payable	10	107,031	124,118
Employee Benefit Liability	11	342,085	364,041
Unutilized Grant	12	339,823	-
		<u>788,939</u>	<u>488,159</u>
Non-current Liabilities			
Contract audit fees payable	13	-	21,659
		<u>-</u>	<u>21,659</u>
Total liabilities		<u>788,939</u>	<u>509,818</u>
Net deficiency		<u>(192,654)</u>	<u>(249,074)</u>
Equity			
Accumulated losses		(192,654)	(249,074)
Total equity		<u>(192,654)</u>	<u>(249,074)</u>

The accompanying notes form an integral part of this Statement of Financial Position.

**OFFICE OF THE AUDITOR GENERAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021**

	Note	31 July 2021	31 July 2020
		\$	\$
Cash flows from operating activities			
Receipt from grants		5,038,469	5,606,269
Interest received		30	-
Payment for contracted audit services		(93,059)	(229,651)
Payment to employees		(4,244,996)	(4,523,717)
Payment to suppliers and vendors		(291,457)	(819,961)
Net cash from operating activities		408,987	32,939
Cash flows from investing activities			
Payment for property, plant & equipment		(50,511)	(27,019)
Net cash used in investing activities		(50,511)	(27,019)
Net increase in cash equivalent		358,476	5,920
Cash and cash equivalents at beginning of financial year		7,085	1,165
Cash and cash equivalents at end of financial year	6	365,561	7,085

The accompanying notes form an integral part of this Statement of Cash Flow.

**OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

Note 1 General Information

The Office of the Auditor-General of Fiji (OAG) assists the Auditor-General deliver against the mandate of the Constitution of the Republic of Fiji and the Audit Act 1969. The work of OAG is also governed by auditing standards issued by the International Organization of Supreme Audit Institutions and the Fiji Institute of Accountants, which are in compliance with the Standards. The Financial Management Act 2004 requires that the Ministry of Economy must ensure that an adequate amount of money is appropriated to any independent office to ensure that the independent office may independently and effectively exercise its powers and perform its functions and duties.

Note 2 Principal Activity

The Office of the Auditor General ('Office') is an independent Office established under Section 151 of the Fijian Constitution whose function is to inspect and audit, and report to the Parliament on:

- the public accounts of the State;
- the control of public money and public property of the state; and
- all transactions with or concerning public money or public property of the state.

Note 3 Basis of preparation and significant accounting policies

a) Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB).

The principal accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Set out below is a summary of the significant accounting policies adopted by OAG in the preparation of the financial statements for the year ended 31 July 2021.

b) Basis of Accounting

The financial report has been prepared on the basis of historical costs and except where specifically stated do not take into account current valuations of non-current assets.

In the application of IFRS for SMEs, management is required to make judgments, estimates and assumptions about carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual result may differ from these estimates.

The financial statements have been prepared on a going concern basis. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period. Judgments made by management in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed where applicable, in the relevant notes to the financial statements.

c) Functional and Presentation Currency

The financial statements are presented in Fijian currency, which is OAG's functional currency. All financial information presented in Fijian currency has been rounded to the nearest dollar.

d) Foreign currency

Foreign currency transactions are translated to Fijian currency at rates of exchanging ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fijian currency at the rates of exchange ruling at balance date. All exchange gains or losses whether unrealized are included in the income statement.

e) Cash

Cash and cash equivalents includes cash on hand and cash at bank.

f) Value Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognized net of VAT, except: i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of the asset or as part of an item of expense; ii) For receivables and payables which are recognized inclusive of VAT.

The net amount of VAT payable to, or receivable from, the taxation authority is included as part of payables or receivables.

Note 3 Basis of preparation and significant accounting policies (continued)

g) Government grant

The Office receives operating grant from the Fiji Government and International Organization for Supreme Audit Institutions (INTOSAI). Operating grants that compensate the Office for expenses incurred are recognized as income in the income statement on a systematic basis in the same period in which the expenses are incurred. Operating grants that are used to compensate the cost of an asset are recognized in the income statement as income on a systematic basis over the useful life of the assets.

Through technical assistance from the Asian development Bank and Department of Foreign Affairs of Australia, OAG obtained the services of a Performance Audit Specialist during the year. The Specialist has provided assistance through real-time reviews and training to strengthen its capabilities of the Office in carrying out performance audits and will complete the assignment by December 2021.

h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

- Computer Hardware (20%- 25%)
- Motor Vehicles (20%- 25%)
- Office Equipment (10%- 25%)
- Fixtures & Fittings (10%- 25%)
- Computer Software (10%- 25%)

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectation.

i) Intangible asset

Intangible asset is a purchased software that is stated at cost less accumulated amortization and any accumulated impairment losses. It is amortized over its estimated life of using the straight-line method. The software has a estimated useful life of more than 5 years.

If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

j) Impairment of assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount, the higher of an asset's (or cash generating unit's) fair value less costs to sell and its value in use, of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

k) Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. They are measured at amortized cost.

l) Employee benefit obligations

Superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss as the services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided. A liability is recognized for the amount to be paid under short-term benefits if OAG has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

Liabilities for annual leave are recognized and are measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

Note 3 Basis of preparation and significant accounting policies (continued)

m) Comparatives

The expenses in the financial statements for the year ending 31st July 2020 were disclosed at VAT Inclusive Price (VIP). In contrast, the expenses in the financial statements for the year ending 31st July 2021 are recognized at net of VAT.

Note 4 INCOME	31 July 2021	31 July 2020
(a) Grant Income	\$	\$
Government of Fiji - Operating Grant	4,666,632	5,594,215
INTOSAI Grant	21,834	-
	4,688,466	5,594,215
(b) Other Income		
Commission*	3,080	-
Other income**	7,100	-
	10,180	-

*Commission includes commission income charges on third party deductions made from source.

**Other income includes reversal of over-accrual on Bonus payout for 2019/2020 financial year.

Note 5 EXPENSE

(a) Salaries, wages and other benefits

Established Staff

Salaries	3,564,378	3,955,141
Fiji National Provident Fund	164,621	324,857
Acting Allowance	43,827	-
Health Insurance Benefit	64,759	85,043
Bonus Payment	-	40,000
FNU Levy	42,494	59,212
Fringe Benefit Tax	769	1,547
Total Established Staff	3,880,848	4,465,800

Total Unestablished Staff

27,812	58,507
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Breakdown for Salaries and Wages accrued is as follows:

Payroll Accrual (Established Staff)	14,348	32,773
Payroll Accrual (Unestablished Staff)	237	829
Total Salaries & Wages accrued	14,585	33,602

Total Salaries, Wages and Other Benefits

3,923,245	4,557,910
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The number of employees at the end of the financial period was 91 (2020: 89).

Established: 89 (2020: 87)

Unestablished: 2 (2020: 2)

(b) Travel, accommodation and communications

Subsistence	11,390	65,135
Telephone and internet	28,025	41,054
Travel	3,794	60,340
	43,209	166,529

(c) Maintenance

Maintenance	1,958	13,977
Motor vehicle expenses	6,945	17,897
	8,903	31,874

(d) Contract audit fees

Outsourced audits	71,400	85,727
	71,400	85,727

**OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021**

Note 5 EXPENSE (continued)	31 July 2021	31 July 2020
	\$	\$
(e) Other operating expenses		
Advertising	1,416	13,534
Awareness	4,997	11,634
Bank charges	785	-
Books, pamphlets and publication	938	1,192
Directory Expenses	-	1,484
Electricity and power supply	19,765	26,056
Incidentals	6,357	24,774
Legal fees	1,200	9,229
Occupational Health & Safety (OHS)	2,180	248
Office cleaning services	15,274	16,627
Office equipment	1,521	-
Office meeting logistics	366	3,844
Repair & Maintenance - Office Equipment	688	-
Software license fees	108,221	67,059
Stationery & printing	61,918	74,227
Strategic planning workshop	-	7,000
Subscription fees	13,596	-
Team building	300	-
Training	56	65,363
Uniform	301	3,377
	239,879	325,648
(f) Computers & IT services		
Software	28,633	-
Hardware	2,554	74,817
Website	650	178
Others	1,562	-
	33,399	74,995
(g) Special expenditure		
INTOSAI & AG Commonwealth	-	5,359
Pacific Association of Supreme Audit Institution Congress	-	84,840
Working Group IT Audit	-	46,400
	-	136,599

There were no face-to-face meeting related expenses incurred this financial year as a result of the pandemic.

Note 6 CASH AND CASH EQUIVALENTS

Cash on hand	8	-
Cash at bank: (Operating - ANZ)	335,651	5,000
Cash at bank: (Operating - HFC)	28,838	951
Cash at bank: (Cheque - BSP)	1,064	1,134
	365,561	7,085

Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Refer to Note 12(a) for restricted cash.

OFFICE OF THE AUDITOR GENERAL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 JULY 2021

Note 7 OTHER CURRENT ASSETS	31 July 2021	31 July 2020
	\$	\$
Prepayments	37,228	36,814
Refundable Deposits	1,988	1,988
Pandemic Leave Receivable	9,079	-
	48,295	38,802

With reference to OAG Pandemic Leave Policy (POL 44.2021), a pandemic leave is available for all staffs where it can be used upon application with at least 50% of the time will need to be recovered through work after hours in the next six-month period.

Note 8 PROPERTY, PLANT AND EQUIPMENT

(a)

Computer Hardware

At Cost	97,251	75,418
Accumulated depreciation	(38,208)	(18,367)
	59,043	57,051

Motor Vehicles

At Cost	43,111	43,111
Accumulated depreciation	(43,111)	(43,111)
	-	-

Furniture and Fittings

At Cost	19,339	19,339
Accumulated depreciation	(13,730)	(9,863)
	5,609	9,476

Office Equipment

At Cost	272,225	243,548
Accumulated depreciation	(196,137)	(154,159)
	76,088	89,389

Net book value

	140,740	155,916
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OFFICE OF THE AUDITOR GENERAL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 JULY 2021

Note 8 PROPERTY, PLANT AND EQUIPMENT (continued)

- (b) Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out as follows:

	Computer Hardware	Motor vehicles	Furniture and fittings	Office Equipment	Total
Cost	\$	\$	\$	\$	\$
Balance as at 31 July 2020	75,418	43,111	19,339	243,548	381,416
Acquisitions	21,834	-	-	28,677	50,511
Balance as at 31 July 2021	97,251	43,111	19,339	272,225	431,926
Accumulated Depreciation					
Balance as at 31 July 2020	18,367	43,111	9,863	154,159	225,499
Depreciation for the Year	19,841	-	3,868	41,978	65,687
Balance as at 31 July 2021	38,208	43,111	13,730	196,137	291,186
Carrying amount					
As at 31 July 2020	57,051	-	9,476	89,389	155,916
As at 31 July 2021	59,043	-	5,609	76,088	140,740

Note 9 INTANGIBLE ASSETS

Software

Cost:

	31 July 2021	31 July 2020
	\$	\$
Balance as at 1 August	485,460	485,460
Additions	-	-
Balance as at 31 July	485,460	485,460

Accumulated Amortization

Balance as at 1 August	426,520	409,269
Amortization for the year	17,251	17,251
Balance as at 31 July	443,771	426,520

Net Amount

41,689	58,940
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Software license are made up of the OAG's Navision Financial Management Information System and the Payroll PayGlobal System. Computer software is capitalized at the net invoice cost plus any related consulting and/or training costs associated with the initial software implementation (including the initial license cost) and amortized by an impairment charge over its remaining life to arrive at the carrying amounts.

Note 10 ACCOUNTS PAYABLE

Bonuses	-	40,000
Fiji National Provident Fund Payable	32,084	33,046
Fringe Benefit Tax (FBT) Payable	64	64
Trade Payables	51,874	16,256
Value Added Tax Payable	8,278	1,150
Salaries & Wages Payable	14,731	33,602
107,031	124,118	

**OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021**

	31 July 2021 \$	31 July 2020 \$
Note 11 EMPLOYEE BENEFIT LIABILITY		
The movement in Employee Benefit liability during the year is as follows:		
As at 1st August	364,041	285,296
Arising during the year	230,883	150,637
Utilized	252,839	71,892
As at 31st July	342,085	364,041

Note 12 UNUTILIZED GRANT

(a) INTOSAI Unutilized Grant

Opening Balance	-	-
Add: Grant received	27,970	-
Less: Grant utilized	23,799	-
Closing Balance	4,171	-

The INTOSAI SAI Continuity during COVID-19 grant was launched in early October 2020. The INTOSAI-Donor Cooperation (IDC) in cooperation with the INTOSAI Policy, Finance and Administration Committee (PFAC) consider this initiative to be a unique measure to offer assistance given the global emergency. The aim of this grant is to assist its Supreme Audit Institution (SAI) members with continuity of operations, through ICT and staff safety measures support, to respond to needs caused by the COVID-19 Pandemic. Through this funding, the Office was able to purchase a server as part of its Disaster Recovery Plan.

The balance is held as restricted cash in the HFC Bank Operating account.

(b) Government Unutilized Grant

Opening Balance	-	-
Add: Grant received	5,048,231	5,606,270
Less: Grant utilized	4,712,579	5,606,270
Closing Balance	335,652	-
Total Unutilized Grant	339,823	-

Note 13 CONTRACT AUDIT FEES PAYABLE

Contract audit fees payable	-	21,659
	-	21,659

31 July 2021 \$	31 July 2020 \$
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Note 14 AUDIT FEES

Audit Fees	462,764	418,518
	462,764	418,518

Accounting treatment under the accrual convention requires revenue to be recognized for audit services that have been rendered and clients billed, however, payments is yet to be received. Audit fees collected by OAG is state revenue therefore it is only disclosed as notes to the financial statements.

**OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021**

	31 July 2021	31 July 2020
Note 15 ACCOUNTS RECEIVABLE		
Accounts Receivable	258,830	418,518
	258,830	418,518

Accounts receivable belongs to the State hence disclosed only as notes to the financial statements of the Office of the Auditor-General.

Note 16 COMMONWEALTH AUDITORS GENERAL CONFERENCE FUNDING

Due to the COVID-19 pandemic in April 2020, the Commonwealth Auditor-General's Conference to be hosted by OAG from 26-28 May 2020 was postponed. A grant of \$100,000 received from the Commonwealth Secretariat was allocated for this event of which \$17,814 was utilized including a \$15,234 deposit for accommodation which will be valid till 20th December 2022. The Ministry of Economy has current custody of the balance amounting to \$82,186.

Note 17 LITIGATION CLAIM

A defamation action against the Office has been taken by Aliz Pacific and Dr Nur Bano Ali in which the plaintiffs are seeking damages against the Office. The High Court in its ruling on 31st January 2018 has dismissed the claim of Aliz Pacific and Dr Nur Bano Ali however they have appealed the case. The appeal was set down for hearing on 19 November 2019 however no further progress took place beyond this. The ultimate outcome cannot be presently determined; accordingly, no provision has been made in the books of account.

Note 18 SUBSEQUENT EVENTS

COVID-19 Pandemic

In July 2021 the Fijian Government ramped up its vaccination drive with a national target of 80 percent of the target population to be fully vaccinated by 31 October 2021. Apart from the mass vaccination, the current containment measures are on-going with restrictions expected to ease as the fully vaccinated percentage increases. The duration and extent of the pandemic and related financial, social and public health impacts of the COVID-19 pandemic are uncertain.

Other than the matters described above, no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Office, the results or cash flows of those operations, or the state of affairs of the Office in future financial years.

Note 19 SIGNIFICANT EVENTS

COVID-19 Lockdown

On 25 April 2021, in response to the COVID-19 pandemic, the Government announced a number of measures including lockdown of certain containment areas within Viti Levu. Under the lockdown restrictions, all non-essential businesses are required to be closed unless the workplace was deemed part of a permitted industry as set out by the Government.

Impact of COVID-19 pandemic on the Office

The coronavirus disease (COVID-19) outbreak has developed rapidly, bringing a significant health impact globally. Measures taken to contain the virus are already having a significant impact on global markets and economic activity. Fiji is also feeling the impact with business disruption and levels of activity already reducing in several market sectors.

The Office has remained operational and continues to engage in its principal activity. We have not seen a significant impact on our business to date. The Executive Management are carefully considering the impact of the COVID-19 outbreak on the Office and assessing future operational options. The future financial impacts, however, cannot be reasonably estimated at this time, as they will be largely the product of matters the Office cannot control.

The Executive Management believe the Office has sufficient financial resources together with arrangements with their customers and suppliers at this time to be able to successfully manage their business risks despite the current uncertain economic outlook due to the COVID-19 outbreak.

Note 20 COMMITMENTS

As at 31 July 2021, there were no capital expenditure commitments for the Office of the Auditor-General (2020: \$Nil)

**OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 JULY 2021**

Note 21 RELATED PARTY TRANSACTIONS

As at 31 July 2021, there were no related party transactions for the Office of the Auditor-General (2020: \$Nil)

APPENDIX 2

ASSESSING THE OFFICE OF THE AUDITOR-GENERAL – SAI PERFORMANCE MESAUREMENT FRAMEWORK – ACTION PLAN FOR IMPROVEMENTS

Domain	Key Planned Action (KPA)	Status of KPA	Comments
A - Independence and Legal Framework	<p>1. Review and amendments to the Audit Act 1969:</p> <ul style="list-style-type: none"> to provide greater clarity around financial independence/autonomy to ensure OAG has the right for direct appeal to Parliament if resources provided is insufficient to explicitly provide immunity to the Auditor-General and staff of OAG in the normal discharge of legislated duties to close gaps that may hinder rights of access to information by the Auditor-General in the normal discharge of legislated duties 	In Progress -	<p>1. The work to update and modernise Fiji's audit legislation, the Audit Act 1969, commenced before the SAI PMF assessment.</p> <p>2. The review was carried out by a legal consultant and funded by PASAI. The review has already considered the three key issues for improvement identified from the assessment.</p> <p>3. OAG has submitted the result of the review of the Audit Act 1969 to Ministry of Economy for submission to Cabinet after legal vetting of SG's Office.</p> <p>4. In terms of financial independence, the Office now receives a one-line budget, a separate bank account and</p>

B - Internal Governance & Ethics			<p>accounting/payroll system providing the Auditor-General some financial independence.</p> <p>5. OAG now prepares its annual financial statements using the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as the financial reporting framework.</p>
<ol style="list-style-type: none"> 1. Document the practices/processes of developing and monitoring of the strategic plan, business plan and overall annual audit plan. 2. Factor in stakeholder expectations in the development of strategic plan. 3. Develop an Annual Overall Audit Plan. 4. Customise the INTOSAI Code of Ethics to Fiji OAG's context. 5. Develop and document process of assessing OAG staff understanding of the individual staff declaration of the adopted Code of Ethics. 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>	<ol style="list-style-type: none"> 1. Process of developing plans has been completed in a document known as OAG Strategic Planning Framework 2. In the approved Strategic Plan for FY 2021 – 2025, stakeholder expectations had been factored in the plan through the various surveys conducted by OAG over the years. 3. An Annual Overall Audit Plan has been developed and approved for FY 2020 – 2021. 4. An OAG Code of Ethics is now in place with further revision for alignment to INTOSAI COE 	

	<p>6. Policies and procedures for the major areas covering operations to be regularly reviewed.</p> <p>7. Document the process/procedures currently used by OAG for the Engagement Quality Control Review (EQCR).</p> <p>8. QA policy should include the process for selecting audits for QA reviews, the frequency of QA reviews and the review of a sample of outsourced audits.</p>	Completed	<p>5. This has already been developed and approved. All staff have signed off the declaration.</p> <p>6. The review of all major policies commenced have been completed. Timelines for review are also documented in each policy.</p> <p>7. An EQCR policy including processes and procedures have been developed and approved. A number of high risk audits have already been identified in the Annual Overall Audit Plan for EQCR for FY 2020/2021, including outsourced audits.</p> <p>8. The QA Policy has been revised to address the KPAs.</p>
C - Audit Quality and Reporting	<p>1. Financial Audit Coverage</p> <p>a. Align the resources to the audits (including the backlog audits)</p> <p>b. Teams are allocated the specific audits which will ensure that there is momentum in performing the audits.</p> <p>c. Implement strategies to resolve any deficiency in resourcing such</p>	On-going	<p>1. Budget is a challenge where budget resources are not being supported with budget request.</p> <p>2. Aligning of resources and close monitoring to avoid significant leakages of productive time is an ongoing process throughout the FY.</p> <p>3. This is an on-going process. The current Strategic Plan has captured the</p>

<p>D - Financial Management, Asset and Support Service</p>	<p>as recruiting project officers on a need basis.</p> <p>d. Stringent control measures to be put in place to avoid significant leakages from the productive time.</p> <p>2. Timely submission of financial audit results - AG's Report to Parliament to be tabled within 6 to 9 months</p> <p>3. Implementing financial audits - there is a need to strengthen two areas in financial audit, the risk assessment process and having a clear guideline on the amount of audit testing to be done in response to the assessed risk.</p> <p>4. Coverage, Selection and Objective of Compliance Audit - Document a systematic process of selecting compliance audit topics and selecting entities to be subjected to compliance audit to ensure reasonable coverage of entities within a period.</p>	<p>Review Completed</p>	<p>requirement to present to Parliament the results of audits within 6 to 9 months after completion.</p> <p>4. The Quality Assurance function has carried out awareness sessions on improving the risk assessment process. In addition, self-learning where staff with issues in correctly identifying the risks are directed to revisit the manual and relevant materials, and auditing standards. This is on-going.</p> <p>5. Covered in the Compliance Audit Manual adopted on 19/01/20.</p>
	<p>1. Review adequacy of IT infrastructure (computers, software, IT network) in</p>	<p>Review Completed</p>	<p>1. IT Needs Assessment was completed but budget constraints impacts on the implementation of recommendations.</p>

	<p>the past 3 years, and any proposals for improvement to be addressed.</p> <ol style="list-style-type: none"> Report on any inadequacies in assets and infrastructure in Annual Report (or similar). Review of administrative support functions and any proposals for improvements addressed. 	<p>Completed</p> <p>Completed</p>	<ol style="list-style-type: none"> Annual Board of survey are undertaken with recommendation being actioned subject to consultation with MoE. Recent changes to the OAG Structure from 1 August 2020 have captured improvements required in the administrative support functions.
<p>E - Human Resources and Training</p>	<ol style="list-style-type: none"> Capacity build to meet the required qualification and experience in HR Management required by the Office. Develop a Human Resources Strategy. Clear demarcation for clarity on HR responsibilities as the HR function is spread across a number of positions across OAG. Develop and document a policy and the process for selecting staff for training. Develop individual staff professional development plan. 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>	<ol style="list-style-type: none"> A new People Management Specialist has been appointed with MQR for HR HR Strategy developed and approved. A HR Manual providing clarity on HR responsibilities has been developed and approved in October 2020. A Staff Training and Development Guideline was developed and approved in October 2020. The work on developing professional development plans for individual staff has been completed

F - Communications and Stakeholder Management	<p>6. Develop and structure the training plan according to the training needs of staff under the three streams of audit - financial auditors, performance auditors, compliance auditors.</p>		<p>6. Restructuring the OAG Training Plan to clearly capture the training needs of technical staff involved in the three audit streams completed.</p>
<p>1. Develop communication processes to guide OAG's interaction with the Judiciary and/or Special Prosecuting Agencies.</p> <p>2. Seek feedback from Civil Society Organisations/the public on the accessibility and usability of the Auditor-General's Reports to Parliament.</p>	<p>In-progress</p> <p>In-progress</p>	<p>1. Audit Act 1969 does not provide this power to the Auditor-General to share confidential matters to judiciary/special prosecuting agency. The communication processes can only be developed when the review to the Audit Act incorporate this aspect.</p> <p>2. Stakeholder Engagement workshop is being planned with UNDP assisting to develop Citizen Audit Report</p>	



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