

APPENDICES

Appendix 1
Written Evidence
Ministry of Agriculture



File ref: MOA 33/1

Date: 8 July 2021

The Chairperson
Standing Committee on Natural Resources
Parliament Republic of Fiji
Government Buildings
Suva

Attention: Hon. Sanjay Kirpal

Dear Sir,

Re: Clarification of Issues- January to July 2016 Annual Report

Your letter, ref: PARL/NRC/6/16-8, dated June 30, 2021, is referred to. Below are responses to the questions posed.

Question 1: Page 7 – PS Statement

Can the Ministry explain more on the types of rehabilitation the Ministry undertook after TC Winston as stated by Permanent Secretary in his statement?

The Rehabilitation program was implemented in three phases; immediate, mid-term and long term. The overall programme had a total budget of \$2.2million. This funding was made possible through virement of Divisional Budget Allocation within the Ministry for 2016 in the wake of the cyclone as part of our rehabilitation activities.

The immediate rehabilitation work included distribution of seeds and planting materials, infrastructural maintenance and support and redeployment of resources to meet Agriculture Rehabilitation demands. In addition, the Ministry supported farmers through land clearing support, which allowed them to restart their farming activities to support their livelihoods as well as addressing food security issues.

The mid-term and long-term rehabilitation work included infrastructural support, land preparation, continued distribution of seeds and promotion of resilient breeds and varieties.

Question 2: Page 8 – Legislated Functions

a) Under the List of Legislations and Regulations of the Ministry of Agriculture, has it considered enacting an Organic Act?

The Ministry is currently pursuing compilation of a National Organic Policy and is currently reviewing its existing list of legislations. An Organic Act could be considered in the long term and the Ministry is carrying out studies on an effective deployment strategy through a pilot approach, followed by phased deployment across relevant areas in Fiji. Any organic policy and action plans should be linked to the overarching objectives of the country's

agriculture policies in order to make them mutually supportive, and for Ministry of Agriculture, this is now part of our plan and under our strategic theme “Adoption of sustainable resource management and climate smart agriculture practices” where the Ministry aims to achieve a 25% increase in number of farmers adopting organic production with secure market access by end 2023.

b) How many of the Legislations and Regulations are under review by the Ministry?

There are currently 23 pieces of legislations under review by the Ministry. These are listed below.

Ministry of Agriculture Legislation Review			
1	Agricultural Landlord and Tenant Act 1966	13	Ginger Council of Fiji Act 1996
2	Agricultural Marketing Authority Act 2004	14	Goat (Ear-marks) Act 1955
3	Banana Export and Marketing Act 1960	15	Land Conservation and Improvement Act 1953
4	Birds and Game Protection Act 1923	16	Land Development Act 1961
5	Brands Act 1928	17	Meat Industry Act 1969
6	Coconut Industry Development Act 2010	18	Pesticides Act 1971
7	Co-operative Dairy Companies Act 1974	19	Pound Act 1877
8	Copra Industry Loans Act 1976	20	Protection of Animals Act 1954
9	Dairies Act 1965	21	Stock Improvement Act 1932
10	Dogs Act 1968	22	Trespass of Animals Act 1955
11	Fencing Act 1955	23	Veterinary Surgeons Act 1956
12	Fruit Export and Marketing Act 1906		

The review was assigned to Mr. Julian Moti who had achieved a reasonable amount of progress. However, with his untimely passing away in December 2020, the work had stalled.

Ministry of Agriculture is in discussion with the SG’s office as well as development partners and agencies to get support in this area to recommence the review and complete the work that was undertaken by late Mr. Julian Moti.

Question 3: Page 9 – Ministry’s Output Linkage to PCCPP Priorities

a) Can the Ministry please explain why the Ministry is referring to 2015 outputs as the report is for January 1st to July 31st 2016?

Since its a half yearly report for 2016 and the output data is compiled according to calendar year, the only representative data for this period would be 2015 output data. The 2016 data which is captured for the calendar year of 2016, would be presented in 2017.

b) According to Pillar 6, what was the successful rate of production in the sustainable land management farming concept conducted by the Ministry under the review period?

- During this six-month period, the Land Resource Development Division trained 50 farmers on sustainable land management farming concepts of which 10 farmers were assisted with land clearing and preparation.
- Agriculture production in 2016 was over 100,000 mt from January to July.

- c) *According to Pillar 7, how many were assisted in the Rural and Outer Islands (ROI) program?*

During this time, the Rural Outer Island program supported 19 projects, all of which involved farmer cluster groups made up of ten or more farmers from the following locations:

- Kadavu Island
- Lomaiviti
- Lau
- Tailevu
- Naitasiri

- d) *According to Pillar 8 it states, “Reduce Poverty to a Negligible Level by 2015”. How successful have the plans been achieved by the youth groups and women groups during the review period?*

Most programs implemented by the Ministry throughout each Financial Year addresses issue of Poverty as one of the targeted outcomes. The Ministry through its Annual Plans ensure that Youth and Women Group are covered in this intervention. 31 women's groups were trained and assisted in the Cottage Industry Program from January to July 2016.

In addition, the Ministry continued to subsidize Agricultural Schools such as Tutu Agricultural School and Navuso Agricultural School to support the Youth in Agriculture Program in each Financial Year.

Question 4: Page 12 – Tropical Winston Overview

- a) *Can the Ministry clarify whether there were other alternative commodities provided by the Ministry of Agriculture to sustain the livelihood of the worst affected communities such as Koro, Taveuni and Wainibuka/Ra?*

These areas were allocated with assorted vegetable seeds and planting materials such as kumala, cassava and yams.

- b) *Can the Ministry provide an update of production on commodities such as Dalo and Yaqona?*

The production data for dalo and yaqona as well as other major commodities for the reporting period in 2016 is below:

Commodity	Production (mt)
Dalo	38,000
Yaqona	7,500
Cassava	32,000
Egg Plant	561
Ginger	3,278

Question 5: Page 41 – Human Resources, Finance and Information System

According to the Achievement of Human Resources Finance and Information System Division;

- a) *Reference to sub-output 1, can the Ministry please clarify which Act, Legislation or Policy was formulated and its progress?*

The OMRS policy and Training policy were formulated. No Acts and legislation review was conducted during this period.

- b) *According to sub-output 3, can the Ministry please clarify the percentage coverage of agriculture stations linked to internet and intranet?*

During this time, six agriculture stations were connected to the internet and intranet. Given that the Ministry now has 79 stations, the percentage of connectivity throughout this time period would be 17.72 percent. The current coverage rate is 40.51 percent, achieved through progressive work done over the past years. However, given the fact that some additional stations have been added recently, the percentage of connectivity would have been higher.

The Ministry's objective is to enhance connectivity across all its station, and work is being done progressively to improve the infrastructure, which also includes other utilities in addition to communications.

Question 6: Financial Statements for the Year Ended 31 December 2015

- a) *Can the Ministry please clarify the actions taken to address the five (5) issues raised by the Auditor General as the basis for Qualified Accounts?*

All issues raised by the OAG for the year 2015 have been addressed as follows:

- TMA - the Ministry appointed an Assistant Accountant to oversee the financial operations of TMA and conduct proper reconciliation of Accounts.
- The Ministry is now undertaking quarterly stock-take and annual stock-take is done in collaboration with the Office of the Auditor General.
- FMIS and GL Balance – All accounts have been reconciled and updated.
- Trust Fund Account has been reconciled, updated and closed and the account has been transferred to Ministry of Waterways.
- The Ministry currently conducts its Annual Board of Survey as per procedure and is fully documented.

- b) *Can the Ministry please submit accounts for the period 1st Jan, 2016 to 31st July, 2016, the reporting period?*

- The accounts for the period 1 January to 31 July 2016 is attached.

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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File 351

01 June 2017

The Honourable Inia Seruiratu
Minister for Agriculture, Rural and Maritime
Development and National Disaster Management
Robinson Complex
Private Mail Bag
SUVA

Dear Sir

AUDITED FINANCIAL STATEMENTS
MINISTRY OF AGRICULTURE
FOR THE SEVEN MONTHS ENDED 31 JULY 2016

Audited financial statements for the Ministry of Agriculture for the seven months ended 31 July 2016 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Ministry for its necessary actions.

Yours faithfully

Ajay Nand
AUDITOR-GENERAL

Cc. Mr Jitendra Singh, Permanent Secretary for Agriculture

Encl.



MINISTRY OF AGRICULTURE
FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 31 JULY 2016

MINISTRY OF AGRICULTURE
FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 31 JULY 2016

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INDEPENDENT AUDITOR'S REPORT

Audit Opinion

I have audited the financial statements of the Ministry of Agriculture, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Consolidated Trading and Manufacturing Account, Consolidated TMA Profit and Loss Account, Consolidated TMA Balance Sheet, Trust Account Statement of Receipts and Payments and Statement of Losses for the 7 months ended 31 July 2016, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.

Basis for Qualified Opinion

1. The Ministry transferred \$457,469 of excess cash from TMA operations to the Consolidated Fund Account with the Ministry of Economy. The journal entry passed to effect the transfer had a nil effect on the general ledger. As a result, this amount was still reflected in the Consolidated TMA Balance Sheet. Consequently, the cash amount of \$559,372 and TMA Surplus Capital Retained of \$1,125,622 in the Consolidated TMA Balance Sheet as at 31 July 2016 are both overstated by \$457,469.
2. Appropriate supporting documents for adjustments amounting to \$318,494 to the Cash account for the Trust Account were not provided to audit. In addition, a variance of \$354,402 existed between the detailed listing of beneficiaries of the Trust Account and the amount recorded in the general ledger. As a result, I was unable to ascertain the accuracy and completeness of the closing balance of \$684,162 reflected in the Trust Statement of Receipts and Payments.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Ministry in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Management's Responsibilities for the Financial Statements

The management of the Ministry are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.


Auditor's Responsibilities

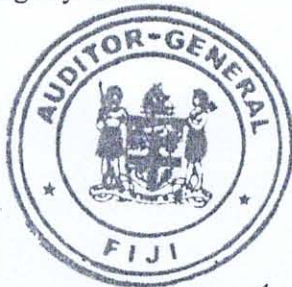
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.


Ajay Nand
AUDITOR GENERAL

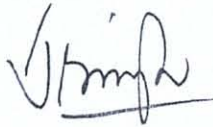


Suva, Fiji
01 June 2017

MINISTRY OF AGRICULTURE
MANAGEMENT CERTIFICATE
FOR THE 7 MONTHS ENDED 31 JULY 2016

We certify that these financial statements:

- a) fairly reflect the financial operations and performance of the Ministry of Agriculture and its financial position for the period ended 31 July 2016; and
- b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and the Finance Instructions 2010.



Jitendra Singh
Permanent Secretary for Agriculture

Date: 30/05/17



Sikeli N. Baleisuva
Acting Principal Accountant

Date: 30/05/2017

MINISTRY OF AGRICULTURE
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE 7 MONTHS ENDED 31 JULY 2016

	Notes	31 July 2016 (\$)	31 Dec 2015 (\$)
RECEIPTS			
Agricultural produce & Inspection Fees		203	92
License		30,662	75,359
Meat Inspection		14,336	23,635
Veterinary and Animal Quarantine		8,518	13,865
Sale of Sheep and Wool		4,660	33,872
Rest house		2,651	12,520
Rental for quarters		35,344	59,269
Registration		2,154	3,954
Commission		14,221	24,738
Sale of farm produce		21,935	44,763
Miscellaneous revenue		117,693	258,764
Overpayment recoveries		20,767	37,335
Water charges		199	1,169
Rural electrification		344	1,629
Miscellaneous Fees and Receipts		96	-
Total Receipts		273,783	590,964
EXPENDITURE			
Established staff		7,469,249	13,336,531
Government wage earners		3,438,174	5,704,307
Travel and communications		449,730	747,722
Maintenance & operations		1,387,954	2,001,578
Purchase of goods and services		388,589	608,131
Operating grants and transfers	3(a)	2,716,499	1,810,254
Special expenditures		1,036,921	2,037,870
Total Operating Expenditure		16,887,116	26,246,393
Capital construction		7,860,937	15,925,337
Capital purchase		5,219	389,914
Capital grants and transfers	3(b)	4,654,588	6,992,224
Total Capital Expenditure		12,520,744	23,307,475
Value Added Tax		1,000,364	3,021,994
Total Expenditure		30,408,224	52,575,862

MINISTRY OF AGRICULTURE
 APPROPRIATION STATEMENT
 FOR THE 7 MONTHS ENDED 31 JULY 2016

SEG Item	Budget Estimate	Appropriation Changes	Revised Estimate	Actual Expenditure	Carry-over	Lapsed Appropriation
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1 Established Staff	14,162,452	-	14,162,452	7,469,249	-	6,693,203
2 Government Wage Earners	6,112,962	-	6,112,962	3,438,174	-	2,674,788
3 Travel & Communication	797,300	379	797,679	449,730	-	347,949
4 Maintenance & Operations	2,427,081	(28,866)	2,398,215	1,387,954	-	1,010,261
5 Purchase of Goods & Services	704,800	538	705,338	388,589	-	316,749
6 Operating Grants & Transfers	3,564,931	-	3,564,931	2,716,499	-	848,432
7 Special Expenditure	4,711,500	(313,695)	4,397,805	1,036,921	-	3,360,884
Total Operating Expenditure	32,481,026	(341,644)	32,139,382	16,887,116	-	15,252,266
Capital Expenditure						
8 Construction	28,295,400	341,644	28,637,044	7,860,937	-	20,776,107
9 Purchases	1,426,450	-	1,426,450	5,219	-	1,421,231
10 Grants & Transfers	10,740,300	-	10,740,300	4,654,588	-	6,085,712
Total Capital Expenditure	40,462,150	341,644	40,803,794	12,520,744	-	28,283,050
13 Value Added Tax	3,245,700	-	3,245,700	1,000,364	-	2,245,336
TOTAL EXPENDITURE	76,188,876	-	76,188,876	30,408,224	-	45,780,652

The Permanent Secretary for Ministry of Agriculture and the Permanent Secretary for Ministry of Economy approved the following virements in 2016:

Virement No.	From SEG	To SEG	Amount (\$)
V30001	SEG 08	SEG 08	1,832,944
V30002	SEG 02	SEG 02	489,164
V30003	SEG 01	SEG 01	531,109
V30004	SEG 08	SEG 08	143,246
V30005	SEG 01	SEG 01	18
	SEG 02	SEG 02	4,950
DV3002	SEG 03 SEG 04	SEG 03	594
		SEG 04	216
		SEG 05	538
		SEG 07	27,950

MINISTRY OF AGRICULTURE
CONSOLIDATED TRADING AND MANUFACTURING ACCOUNT (TMA)
FOR THE 7 MONTHS ENDED 31 JULY 2016

	31 July 2016 (\$)	31 Dec 2015 (\$)
MANUFACTURING ACCOUNT		
Opening Raw Material	-	-
Purchases	988,972	1,035,006
	<u>988,972</u>	<u>1,035,006</u>
Less: Closing Raw Material	-	-
Raw Material Used	<u>988,972</u>	<u>1,035,006</u>
Add: Direct Labour	10,293	7,858
Cost of Manufacturing Goods transferred to Trading Account	<u>999,265</u>	<u>1,042,864</u>
TRADING ACCOUNT		
Sales	1,263,688	1,239,504
Opening stock of finished goods	709,078	1,014,577
Add: Cost of manufacturing goods	999,265	1,042,864
	<u>1,708,343</u>	<u>2,057,441</u>
Less: Closing stock of finished goods	1,465,662	709,078
	<u>242,681</u>	<u>1,348,363</u>
Cost of finished goods sold	-	773
Add: Other Income	-	-
Gross Profit/(Loss)	<u>1,021,007</u>	<u>(108,086)</u>

MINISTRY OF AGRICULTURE
CONSOLIDATED TMA PROFIT AND LOSS ACCOUNT
FOR THE 7 MONTHS ENDED 31 JULY 2016

	31 July 2016 (\$)	31 Dec 2015 (\$)
INCOME		
Gross Profit/(Loss) transferred from Trading Account	1,021,007	(108,086)
Total Income	<u>1,021,007</u>	<u>(108,086)</u>
EXPENSE		
Travelling & Communication Expenses	17,437	8,672
Maintenance & Operation	107,277	281,478
Other Expenses	7,957	42,089
Total Expense	<u>132,671</u>	<u>332,239</u>
Net Profit/(Loss)	<u>888,336</u>	<u>(440,325)</u>

MINISTRY OF AGRICULTURE
CONSOLIDATED TMA BALANCE SHEET
AS AT 31 JULY 2016

	31 July 2016 (\$)	31 Dec 2015 (\$)
LIABILITY		
Deposits & Retention	(22,113)	(22,113)
Total Liability	<u>(22,113)</u>	<u>(22,113)</u>
EQUITY		
TMA Surplus Capital Retained	1,125,622	1,845,486
Net Profit/(Loss)	888,336	(440,325)
Write off	-	(255,813)
	<u>2,013,958</u>	<u>1,149,348</u>
TMA Surplus/(Loss) transferred to Consolidated Fund	33,454	(23,727)
Total Equity	<u>2,047,412</u>	<u>1,125,621</u>
Total Liability and Equities	<u>2,025,299</u>	<u>1,103,508</u>
ASSETS		
Cash	559,372	394,430
Accounts receivable	265	-
Finished goods	1,465,662	709,078
Total Assets	<u>2,025,299</u>	<u>1,103,508</u>

MINISTRY OF AGRICULTURE
TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
LAND WATER RESOURCE MANAGEMENT AND LAND RESETTLEMENT PLANNING
AND DEVELOPMENT
FOR THE 7 MONTHS ENDED 31 JULY 2016

	31 July 2016 (\$)	31 Dec 2015 (\$) (Restated)
RECEIPTS		
Retention Money	154,676	963,831
Total Receipts	<u>154,676</u>	<u>963,831</u>
PAYMENTS		
Retention Money	439,095	872,901
Total Payments	<u>439,095</u>	<u>872,901</u>
(Deficit)/Surplus	(284,419)	90,930
Opening Balance at 1 January	968,581	877,651
Closing Balance as at 31 July 3(d)	<u>684,162</u>	<u>968,581</u>

MINISTRY OF AGRICULTURE
STATEMENT OF LOSSES
FOR THE 7 MONTHS ENDED 31 JULY 2016

Loss of Assets (Office Equipment)

The losses do not include submissions for write offs from the annual board of survey.

Description	31 July 2016 (\$)	31 Dec 2015 (\$)
Laptop	1,890	-
External Hard Drive	269	-
	<u>2,159</u>	<u>-</u>

Loss of Assets (Livestock)

Loss of livestock resulted from death of sheep, pig and cattle. The losses do not include submission for write offs from the annual board of survey.

Description	31 July 2016 (\$)	31 Dec 2015 (\$)
Sheep	3,675	7,008
Pigs	2,184	525
Cattles	8,001	1,250
Goats	1,389	1,274
Chickens	1,110	4,109
	<u>16,359</u>	<u>14,166</u>

MINISTRY OF AGRICULTURE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE 7 MONTHS ENDED 31 JULY 2016

NOTE 1 REPORTING ENTITY

The Ministry of Agriculture focus on diversifying, be market driven and improvements in its service delivery to realise the sector's full potential. Diversification into niche export and domestic markets is therefore necessary thus priority will be given to: facilitating private sector involvement in the development of agri-business; capacity building of farmers to raise levels of production from semi-subsistence to commercial levels; enhancement of Agricultural linkages; and promote food security and ensure sound land management and development.

NOTE 2 STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounting / Presentation

In accordance with Government accounting policies, the financial statements of the Ministry of Agriculture is prepared on cash basis of accounting. All payments related to purchases of fixed assets

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71(1) of the Finance Instruction 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trading and Manufacturing Accounts.

b) Revenue Recognition

Revenue is recognised when it is received by the Ministry. The major source of revenue for the Ministry of Agriculture are Agricultural produce & Inspection Fees, Licenses, Meat Inspection, Veterinary and animal quarantine, Sale of sheep and wool, Agricultural commercial undertaking, Rest house fees, Hire of plant and vehicle, Rental for quarters, Rental for building, Registration, Commission, Sale of farm produce, Sale of surplus farm produce, Miscellaneous revenue, Agricultural landlord and tenant, Water charges, Rural electrification.

c) Accounting for Value Added Tax

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money budgeted for their expenditure. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payments as per the statement of financial operation relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred. Actual amount paid to FRCA during the year represent the difference between VAT Output and VAT Input.

d) Changes in Fiscal Year

As per the change in the Government Fiscal year from January to December to August to July, the current Annual Financial Statement depicts financials for 7 months. The figures of the last 7 months are illustrated against the December 2015 figures.

MINISTRY OF AGRICULTURE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 7 MONTHS ENDED 31 JULY 2016

NOTE 3 SIGNIFICANT VARIATIONS (CONTINUED)

For the purpose of comparing results of the seven months covering January to July 2016, the corresponding results for the previous period - 2015 can be pro-rata by dividing the respective figures by 12 and multiplying it by 7.

- (a) Operating Grants and Transfers expenditure increased by \$1,660,517 when compared to the same period for 2015 as a result of the increase in grant given to Agriculture Marketing Authority as the Ministry tries to help the Agriculture sector to recover from the effects of Cyclone Winston.
- (b) Capital Grants and Transfers increased by \$575,791 when compared to the same period in 2015 as a result of the increase in grant given to Agriculture Marketing Authority as the Ministry tries to help Agriculture sector to recover from the effects of Cyclone Winston.
- (c) The Trading and Manufacturing Account (TMA) sales improved by \$540,644 or 75% when compared to the same period in 2015. This is largely attributed to the operational changes taking place for TMA.
- (d) The Ministry administers the retention of Land and Water Resource Management (LWRM) trust funds. This is for 10% retention monies that are held back from contractors' payments according to the contractual agreements between the Ministry and the individual contractors. These retention monies are paid back to contractors once work is satisfactorily completed.
- (e) The Main Trust figure has been revised after the adjustments by the Ministry of Economy in June 2016.

c) *Can the Ministry please provide an update on the maintenance of government quarters and institutional quarters?*

For the period of the report, the following works was carried out:

- Office maintenance: Nanukuloa, Dobuilevu and Nayavu.
- Government Quarters: One x SAO Ra (repair and maintenance).
- Institutional Quarters : Ten x Quarters (one Duplex and one quarters newly constructed/ eight quarters were under maintenance).

The refurbishment and maintenance of quarters has been a major emphasis area for the Ministry, with annual financial allocations now being made to carry out the essential work in stages across all Fiji stations.

We hope that this clarifies all of the above issues and should you need any further information please do contact us.

Yours sincerely,



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Ritesh Dass

Permanent Secretary

Enclosure

Appendix 2
Annual Report Summary
Ministry of Agriculture



Annual Report Summary – Ministry of Agriculture January – July 2016 Annual Report

Standing Committee on Natural Resources

Vision–“To influence market forces through vibrant and sustainable agriculture activity that reduces poverty, reduces the risks of food insecurity and increases the contribution to GDP”

Mission–“To excel in the provision of customer focused and market driven services in the agricultural sector”

	January – July 2016
Background	<ul style="list-style-type: none">• The Ministry of Agriculture is mandated to ensure accelerated growth of Fiji’s Agriculture Sector, product diversification and identify competitive advantage and opportunities, facilitate public/ private sector engagement, promote food security and ensure sustainable livelihood for all Fijians.• The functions of the Ministry includes:<ul style="list-style-type: none">○ To accelerate agricultural product diversification into crops and livestock products where competitive advantages have been identified;○ To facilitate private sector development;○ To promote food security; and○ To ensure sustainable development in the non-sugar sector
Organization Structure	<ul style="list-style-type: none">• The organizational structure can be seen on page 11 of the annual report.
Acts in Place	<ul style="list-style-type: none">• The legislations and regulations of the Ministry can be seen on page 8 of the annual report.
Major Highlights	<ul style="list-style-type: none">• The Ministry’s activities in 2016 were aligned to the 5 Government’s Key Pillars namely:<ul style="list-style-type: none">○ Pillar 4 Enhancing Public Sector Effectiveness and Service Delivery○ Pillar 5 Achieving Higher Economic Growth while Ensuring Sustainability○ Pillar 6 Making more Land Available for Productive and Social services○ Pillar 7 Developing an Integrated Development Structure at the Divisional Level○ Pillar 8 Reduce Poverty to a Negligible Level by 2015<i>(Full details can be seen on page 9 of the annual report)</i>• The Ministry’s 2016 approved outputs as approved by the Ministry of Finance can be seen on page 10 of the annual report.



- TC Winston Overview:
 - The total value of damages caused by TC Winston to the Agriculture Sector is \$208.5 million and 44,879 Farmers affected (*details of damages can be seen on page 12 of the annual report*).
 - The Northern Division suffered the most damages during TC Winston. Bulk of the damages sustained was in the Northern Division with \$93.8 million, whereas in the Western division was \$52.8million, Central division was \$40.5million and \$21.2million in the Eastern Division.
 - With Yaqona being one of the major commodities for local and export market and of high value, it suffers \$116 million of damages, the total value of standing crop of yaqona before the cyclone was \$498.8 million.
 - Dalo is the other major commodities for the local and export market that has been destroyed by the cyclone. “The total value of the damage to the taro (Dalo) was around \$20 million.
 - The rehabilitation programme was implemented in three phases (immediate, midterm and long term) with a total budget of \$2.2million. Immediate relief and rehabilitation work was carried out concurrently with the assessment (*details on page 13 of the annual report*).
- The Ministry’s total budget was \$48.3 million with actual expenditure of \$26.6 million.
- The Agriculture (Crop & Livestock) GDP for 2015 was \$542 million.
- The Agriculture (Crop & Livestock) Production for 2016 was 100,162mt.
- The Crop & Livestock Export was \$224 million.
- The Crop & Livestock Import was \$717 million.
- The Crop Extension Division:
 - The Division’s core responsibility is service delivery. Their role is to extend proven information from researches to farmers, assist and enhance the transitioning of farmers from subsistence to semi and commercial level. The Division was allocated \$8.8million through Capital Programmes for the development and expansion of Crop Commodities. There were 18 approved Capital Programmes which is 38% more than the 2015 budget allocation.
 - The achievements of the Division were based on the following outputs:
 - Output 1: Maintaining Food Security Through the Provision of Extension And Research Services for Crops, Livestock And Veterinary Services
 - Output 2: Quick Economic Recovery Through the Implementation of Demand Driven Approach And Other Commodity Projects
 - Output 3: Assist in Poverty Alleviation by Capacity Building of Farmers to Increase Production
 - Output 4: Sustainable Management of Natural Resources Through Flood Protection Programmes and Other Sustainable Land Management Practices
 - Output 5: Ensuring Equal Access for Women In Agricultural Development



	<ul style="list-style-type: none">➤ Output 6: ROI Communities to Meet Basic Needs, Improve Living Standards Through Agriculture Development<ul style="list-style-type: none">○ Full details can be seen on pages 16-18 of the annual report.• Animal Health & Production Division:<ul style="list-style-type: none">○ The core role of the Division is to provide knowledge and other livestock related services to livestock industries, processors and distributors, importers and exporters' smallholder livestock farmers and clients necessary for the adoption best practices. The Division was allocated \$6.2million through Capital Programmes for the development and expansion of Livestock Commodities/ Farms.○ The achievements of the Division were based on the following outputs:<ul style="list-style-type: none">➤ Output 1: Maintaining Food Security Through the Provision of Extension And Research Services For Crops, Livestock And Veterinary Services➤ Output 2: Quick Economic Recovery Through the Implementation of Demand Driven Approach And Other Commodity Projects➤ Output 3: Assist in Poverty Alleviation By Capacity Building Of Farmers To Increase Production➤ Output 5: Ensuring Equal Access for Women In Agricultural Development➤ Output 6: ROI Communities to Meet Basic Needs, Improve Living Standards Through Agriculture Development➤ Output 7: Portfolio Leadership, Policy○ Full details can be seen on pages 21-23 of the annual report.• The NZ Government provided assistance through the Dairy Development Indicative Program total of \$10million NZ for a period of five years. The program is focuses at sustaining and increasing milk production in Fiji. The projects major activities include:<ul style="list-style-type: none">○ Training of Extension Staff and farmer;○ Construction of a new dairy shed for Research and Training at Koronivia Research Station;○ Review of the milk purchase and pricing agreement;○ Infrastructure Improvement on chilling centres;○ Procuring of tractors and implements for pasture improvements;○ Provision of a Veterinarian in the country.• Crop Research Division:<ul style="list-style-type: none">○ The core function of the Division is to complement and support the department of Agriculture, through innovation of new technologies and its transfer to suit the need of farmers, the clients and the stakeholders for the enhancement of the agricultural sector. Facilitate scientific, technical and professional support services for Agriculture Development. The Division was allocated \$2.3million through Capital Programmes for the development and expansion of Livestock Commodities/Farms.
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- The achievements of the Division were based on the following outputs:
 - Output 1: Maintaining Food Security through the Provision of Extension and Research Services for Crops, Livestock and Veterinary Services
 - Output 2: Quick Economic Recovery Through the Implementation Of Demand Driven Approach And Other Commodity Projects
 - Output 3: Assist in Poverty Alleviation by Capacity Building of Farmers to Increase Production
 - Output 5: Ensuring Equal Access for Women In Agricultural Development
 - Output 6: ROI Communities to Meet Basic Needs, Improve Living Standards Through Agriculture Development
 - Output 7: Portfolio Leadership, Policy
- Full details can be seen on pages 26-28 of the annual report.
- Land & Water Resource Management Division:
 - The role of the Division is to mitigate flood risks which may result in damage to agricultural crops, livestock, property and human live. Provision of efficient and effective drainage to maximise agricultural land utilization. Increase crop yield and enhance food security with timely and efficient irrigation services. The Division was allocated \$13.4million through Capital Programmes.
 - The achievements of the Division were based on the following output:
 - Output 4: Sustainable Management of Natural Resources through Flood Protection Programmes and other Sustainable Land Management Practices
 - Full details can be seen on page 31 of the annual report.
- Land Resource Planning Division:
 - The core role of the Division is to promote sustainable land use practices with major emphasis on land conservation and land degradation issues, updating farm management manual and capacity building for farmers and agriculture officials in the areas of farm business planning and farm business advisory services. The Division was allocated \$0.68million through Capital Programmes for the development and expansion of Livestock Commodities/Farms.
 - The achievements of the Division were based on the following outputs:
 - Output 1: Maintaining Food Security Through the Provision of Extension And Research Services For Crops, Livestock And Veterinary Services
 - Output 2: Quick Economic Recovery Through the Implementation of Demand Driven Approach And Other Commodity Projects
 - Output 3: Assist in Poverty Alleviation by Capacity Building of Farmers to Increase Production
 - Output 4: Sustainable Management of Natural Resources Through Flood Protection Programmes and other Sustainable Land Management Practices



	<ul style="list-style-type: none"> ➤ Output 5: Ensuring Equal Access for Women In Agricultural Development ➤ Output 7: Portfolio Leadership, Policy ○ Full details can be seen on pages 33-35 of the annual report. • Economic Planning & Statistics Division: <ul style="list-style-type: none"> ○ The core function of the Division is to formulate the Agriculture Sector development policies, appropriate strategies and subsequent program activities in accordance with the Government Strategic Plan, establish and enhance effective sustainable linkages with external organizations, including global donor agencies at bilateral, plurilateral and multilateral levels, analyses policy and assess its impact to the agriculture sector. The Division was allocated \$8 million through Capital Programmes for the development and expansion of Livestock Commodities/Farms. ○ The achievements of the Division were based on the following outputs: <ul style="list-style-type: none"> ➤ Output 1: Maintaining Food Security Through the Provision of Extension And Research Services For Crops, Livestock And Veterinary Services ➤ Output 2: Quick Economic Recovery Through the Implementation of Demand Driven Approach And Other Commodity Projects ➤ Output 3: Assist in Poverty Alleviation by Capacity Building of Farmers to Increase Production ➤ Output 7: Portfolio Leadership, Policy Advice and Secretariat Support ○ Full details can be seen on pages 37-39 of the annual report. • Human Resource Finance & Information Division: <ul style="list-style-type: none"> ○ The core role of the Division is to formulate and review current organizational structure and implementation of public service reform, implement the best practices in managing human resources and effective delivery of service therefore ensuring good governance in the administration and deployment of financial and other resources. The Division was allocated \$8.5 million through Capital Programmes to assist the Division in undertaking its core role. ○ The achievements of the Division were based on the following output: <ul style="list-style-type: none"> ➤ Output 7: Portfolio Leadership, Policy Advice and Secretariat Support ○ Full details can be seen on page 41 of the annual report. 		
Financial Position¹		31 July 2016 (\$)	31 December 2015 (\$)
	Total Receipts	273,783	590,964
	Total Operating Expenditure	16,887,116	26,246,393

¹ Note, the financial statements provided in the annual report are for the year ended 31 December 2015. The financial statements for the 7 months ended 31 July 2016 were provided in a separate document via email on 8th July 2021.



	Total Capital Expenditure	12,520,744	23,307,475
	Total Expenditure	30,408,224	52,575,862
	TMA – Manufacturing Account Gross Profit/(Loss)	1,021,007	(108,086)
	TMA Profit and Loss Account – Total Income	1,021,007	(108,086)
	TMA Profit and Loss Account – Total Expense	132,671	332,239
	Net Profit/(Loss)	888,336	(440,325)
	TMA Balance Sheet – Total Liability	(22,113)	(22,113)
	TMA Balance Sheet – Total Equity	2,047,412	1,125,621
	TMA Balance Sheet – Total Liability and Equities	2,025,299	1,103,508
	TMA Balance Sheet – Total Assets	2,025,299	1,103,508
	Land Water Resource Management and Land Resettlement Planning and Development – Total Receipts	154,676	963,831
	Land Water Resource Management and Land Resettlement Planning and Development – Total Payments	439,095	872,901
	(Deficit)/Surplus	(284,419)	90,930
	Closing Balance as at 31 July	684,162	968,581
Auditor's Opinion	<p><u>Audit Opinion</u></p> <p>The Auditor has audited the financial statements of the Ministry of Agriculture, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Consolidated Trading and Manufacturing Account, Consolidated TMA Profit and Loss Account, Consolidated TMA Balance Sheet, Trust Account Statement of Receipts and Payments and Statement of Losses for the 7 months ended 31 July 2016, and the notes to the financial statements including a summary of significant accounting policies.</p>		



	<p>In Auditor's opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.</p> <p><u>Basis for Qualifications</u></p> <ol style="list-style-type: none">1. The Ministry transferred \$457, 469 of excess cash from TMA operations to the Consolidated Fund Account with the Ministry of Economy. The journal entry passed to effect the transfer had a nil effect on the general ledger. As a result, this amount was still reflected in the Consolidated TMA Balance Sheet. Consequently, the cash amount of \$559,372 and TMA Surplus Capital Retained of \$1,125,622 in the Consolidated TMA Balance Sheet as at 31 July 2016 are both overstated by \$457,469.2. Appropriate supporting documents for adjustments amounting to \$318,494 to the Cash account for the Trust Account were not provided to audit. In addition, a variance of \$354,402 existed between the detailed listing of beneficiaries of the Trust Account and the amount recorded in the general ledger. As a result, Auditor was unable to ascertain the accuracy and completeness of the closing balance of \$684,162 reflected in the Trust Statement of Receipts and Payments.
Gender Analysis	No information on gender was provided in the annual report.

07 September 2021

Disclaimer

This Annual Report Summary was prepared to assist the Standing Committee on Natural Resources in its review of the Ministry of Agriculture January – July 2016 Annual Report. This summary should not be relied on as a substitute for specific advice. Other sources and information should be consulted. Whilst every effort has been made to ensure that the information is accurate, the Parliament of the Republic of Fiji will not accept any liability for any loss or damage which may be incurred by any person acting in reliance upon the information. The Parliament of the Republic of Fiji accepts no responsibility for any references or links to, or the content of, information maintained by third parties. For further information please email: Shobhna Rani on shobna.rani@govnet.gov.fj