



## LIST OF WITNESSES WRITTEN EVIDENCE

Consolidated Ministries and Departments Responses – Audit Report on Follow-Up of High Risk Ministries/Departments (PP No. 271 of 2020)

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IN REPLY PLEASE QUOTE  
J42/4/13

**HON. ALVICK MAHARAJ**  
Chairperson  
Standing Committee on Public Accounts  
Parliament of Fiji  
Government Buildings  
SUVA

Dear Sir,


**CLARIFICATION OF ISSUES – AUDIT REPORT ON FOLLOW UP OF HIGH RISK  
MINISTRIES/DEPARTMENTS (PP No 271 of 2020)**

**Reference:**

- A. Standing Committee on Public Accounts correspondence to CRFMF Parl 6/15-7/20 dated 6 Apr 21

The responses from the Republic of Fiji Military Forces (RFMF) for the clarification of issues highlighted in the Audit Report of High Risk Ministries/Departments (PP No 271 of 2020) are attached.

Respectfully submitted.

  
**J.J. FOX**  
Captain (N)  
For Commander Republic of Fiji Military Forces

20 April 2021



## CLARIFICATION OF ISSUES- AUDIT REPORT ON FOLLOW UP OF HIGH-RISK MINISTRIES/DEPARTMENTS (PP No. 271 of 2020)

### PUBLIC ACCOUNTS COMMITTEE

Clarification on issues highlighted by the Audit Report, Follow Up of High-Risk Ministries/Departments (PP No 271 of 2020) is a follow on of the earlier Audit Report, Follow Up of High-Risk Ministries/Departments (PP No 07 of 2019). Details of this report and implementation status is reproduced below for ease of reference.

#### 5.2 Republic of Fiji Military Forces

Recommendations in Report for General Administration Sector- 2017		Status			
		F/IMP	P/IMP	N/IMP	N/UPD
Follow up of the recommendations for the Republic of Fiji Military Forces was done in 11/07/19. It is recommended that Republic of Fiji Military Forces:					
<b>Anomalies in the Main Trust Fund – Engineers Project Fund Account</b>					
1. Ensure that:					
• Monthly bank reconciliations for the Engineers Project Fund Account is correctly carried out;					
• Cash book or the Engineers Project Fund Account is properly maintained and updated;		✓			
• Instructions and requirements stipulated in the Finance Instructions and Finance Manual are complied with;					
• immediate action is taken to address the control weaknesses highlighted; and					
• There is regular evaluation of internal controls to determine their effectiveness, identify weaknesses and implement measures to address them.					
<b>Absence of Risk Management Framework</b>					
2. Should work towards establishing a risk management framework that would support the operations by providing financial and operational risk management and management of external reporting obligations.			✓		
<b>Effectiveness of the Internal Audit Function</b>					
3. Should:					
• Develop an internal audit charter outlining the internal audit functions purpose, authority, responsibility and position within the Force;					
• Following the establishment of the internal audit charter, an annual audit program should be developed based on risk assessment of key functional units within the Force;			✓		
• Internal Audit Team should carry out reviews on the effectiveness of its internal controls, systems and processes particularly in the areas of risk and provide recommendation where deficiencies exist; and					
• For the purpose of effectiveness and accountability, the internal Audit function should directly report to the Force Commander.					



Recommendations and follow up actions were centred on the following;

- a. Anomalies in the main trust fund-Engineers Project Fund Account;
- b. Absence of risk management framework; and
- c. Effectiveness of Internal Audit Function.

As highlighted in the reproduced table para a has been fully implemented with para c partially implemented and para b has yet to be implemented. Detailed answers to the recommendation and follow up actions are attached to this correspondence as Appendix 1.

In response to the general questions put forward in the Standard Committee on Public Accounts (Reference A), the following are the responses of the Republic of Fiji Military Forces.

**1. Have your Ministry put in a monitoring mechanism to monitor and assess how recommendation been implemented?**

For the Anomalies in the Main Trust Fund- Engineers Project Fund Account, RFMF has fully implemented recommendations by the OAG. The monitoring mechanisms put in place include the following:

- i.) The monthly bank reconciliation for the Engineers Project Fund Account is now carried out every month.
- ii.) The Cash Book is now maintained and updated.
- iii.) Fully complying with instructions and requirements stipulated in the Finance Instructions and Finance Manual.
- iv.) Immediate actions taken as per the recommendations highlighted and assessing the effectiveness of these actions.
- v.) The Force Internal Auditors conducts regular checks and evaluation to ensure that the internal controls put in place are effective.

**2. What are the timelines to implement those recommendations not being implemented as yet? Explain why the recommendations therein have not been implemented.**

Risk Management Framework- This is not implemented yet. However, RFMF is currently developing one which should be finalized by end of August 2021.

**3. For those recommendations categorized as partially implemented that has been indicated by the Auditor General, are they now fully implemented? If not, Why?**

Effectiveness of the Internal Audit Function- recommendations are partially implemented.

An Internal Audit Charter has been developed and submitted to Management for review and endorsement. Further to this, the Internal Auditors have also designed an annual audit program for the auditing of public funds within RFMF.

One of the proposals in the draft audit charter is for the Internal Audit unit to report directly to the Deputy Commander- RFMF.

**4. What is your view on the Audit Committee and the plan to establish and their role to monitor the implementation of recommendations from external or internal auditors?**

Audit Committee-

1. Commander RFMF
2. Deputy Commander RFMF
3. Chief of Staff- RFMF
4. Director Finance, Logistics and Acquisition- Secretary

The role of the Audit Committee is to:

- Endorse annual audit plan
- Ensure that audit is conducted in line with the plan
- Follow up on the implementation of audit recommendations from external and internal auditors

**5. Implementation status as in Table 1.1 (Page 11) outlines the percentage of implementations by the entity. Recommendation below 50% of total recommendation yet to be implemented is an issue. How does the entity plan to address these recommendations and their timeline? Who is to take responsibility to implement?**

RFMF plans to fully implement recommendations by end of August 2021. This includes those that are not implemented and partially implemented and the Staff Officer Audit is responsible for the implementation of these recommendations.



## APPENDIX 1

### 1. Anomalies in the Main Trust Fund- Engineers Project Fund Account

- i. *Monthly bank reconciliations for the Engineers Project Fund Account is correctly carried out.*

**RFMF Comments-** This is now carried out and updated. Currently, there are 20 Engineers projects and each now has a separate budgetary allocation in the FMIS system and bank reconciliation is now updated.

- ii. *Cashbook or the Engineers Project Fund Account is properly maintained and updated.*

**RFMF Comments-** The cash book for the Engineers Project Fund Account has been fully implemented and updated till March 2021. Records in the cash book have been verified and balanced with the FMIS records.

- iii. *Instructions and requirements stipulated in the Finance Instructions and Finance Manual are complied with.*

**RFMF Comments-** RFMF has adopted the approved standard procedures and processes in line with Finance Instructions and Finance Manual.

- iv. *Immediate action is taken to address the control weaknesses highlighted.*

**RFMF Comments-** The way forward was implemented soon after the 2017 Audit report highlighted these control weaknesses. Hence, the updated monthly bank reconciliation and cash book records.

- v. *There is regular evaluation of internal controls to determine their effectiveness, identify weaknesses and implement measures to address them.*

**RFMF Comments-** Weaknesses has been identified and measures to address those controls have been implemented.

### 2. Absence of Risk Management Framework

- i. *Should work towards establishing a risk management framework that would support the operations by providing financial and operational risk management and management of external reporting obligations*

**RFMF Comments-** Currently there is no Risk Management Framework established but RFMF is working towards developing one by end of August 2021.

The current practice is that risks are identified by the Internal Auditors and measures to address these risks in line with the Finance Instructions and Finance Manual. Our Internal Auditors provides a report to the RFMF units who should respond to the report.

### 3. Effectiveness of the Internal Audit Function

- i. *Develop an internal audit charter outlining the internal audit functions purpose, authority, responsibility and position within the Force.*

**RFMF Comments-** A draft Internal Audit Charter has been submitted to Management for review and endorsement.

- ii. *Following the establishment of the internal audit charter, an annual audit program should be developed based on risk assessment of key functional units within the Force.*

**RFMF Comments-** The Internal Auditors have developed an annual audit program for public funds for all the units within RFMF.

- iii. *Internal Audit Team should carry out reviews on the effectiveness of its internal controls, systems and processes particularly in the areas of risk and provide recommendation where deficiencies exist.*

**RFMF Comments-** The Internal Auditors are aware of the IIA Standard, which requires monitoring and follow up of previous audits. The RFMF Internal Auditors will follow up on the internal audit recommendations that were put forward in the current audits as a way forward.

- iv. For effectiveness and accountability, the internal audit function should directly report to the Force Commander.

**RFMF Comments-** This proposal has been included in the Draft Internal Audit Charter and awaiting review and endorsement.





**FIJI POLICE FORCE  
OFFICE OF THE COMMISSIONER OF POLICE**

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C/1/15

The Chairman  
Public Accounts Committee  
Parliament of Republic of Fiji  
Government of the Republic of Fiji  
Suva

Hon Sir

**CLARIFICATION OF ISSUES – AUDIT REPORT ON FOLLOW UP OF HIGH RISK  
MINISTRIES/DEPARTMENT (PP NO. 271 OF 2020)**

Reference is made to your memorandum referenced Parl 6/15-7/26 dated 06 April 2021 and addressed to the Acting Commissioner of Police. The follow up of the recommendations was done in 18/03/19 for the three issues highlighted in the Auditor General's Report for 2016 and the details are:

1. Anomalies noted in the Revolving Fund Account
2. Irregularities in the Operating Trust Fund Account and
3. Non-Clearance of Withholding Payable Account

We are pleased to provide responses as follows:

**PART B: AUDIT FINDINGS**

**1. Anomalies noted in the Revolving Fund Account**

The outstanding RFA balances as July 2017 was \$102,376.91. However the amount was reduced to \$17,052.66 in June 2018. The outstanding amount was further reduced in July 2018 resulting in the unidentified outstanding balance of \$6,908.69.

The amount has been consistent from July 2018 till now is \$6,908.69. Efforts have been made to further reduce the balance but have not identified the officers who still have the outstanding advances to clear.

**2. Irregularities in the Operating Trust Fund Account**

The analysis was made whereby it was determined that there was no loss of government fund but rather misallocations (2007-2015) were identified.



Consultation was done with the clearance from the vendors and the source documents justifying misallocations. The Force will then soon seek approval from the Ministry of Economy to have this long outstanding previous years balances written off.

### **3. Non-Clearance of Withholding payable Account**

During the write off process, the amount written off was incorrect. The allocation was reconciled and the respective credit entry was incorporated with the amount written off.

The Force will engage Ministry of Economy for their assistance on the write off documents to be retrieved to have the transaction identified and cleared.

#### Questions:

The following questions are based on recommendations –

**1. Have your Ministry put in monitoring mechanisms to monitor and assess how recommendation been implemented?**

Yes. Fiji Police Force has put in monitoring mechanisms to monitor and assess the implementation of recommendation. Also the officers are tasked to keep/maintain appropriate registers to keep track of records.

**2. What is the timeliness to implement those recommendations not being implemented as yet?**

Fiji Police Force has taken immediate action to implement the recommendations which was stated in the report. We are still in the process of consultation with Ministry of Economy.

**3. For those recommendations categorized as partially implemented that has been indicated by the Auditor General, are they now fully implemented? If not, why not?**

The Fiji Police Force has taken proactive measures to implement as recommended in the Auditor General's report. That which may have been left out has been tasked to officers concern to keep a monitoring mechanism. This is to avoid further audit issues and implement a clean transaction for our records.

**4. What is your view on Audit Committee and the plan to establish and their role to monitor the implementation of recommendations from external or internal auditors?**

Fiji Police Force supports the Audit Committee and the plans to establish and their role to monitor the implementation of recommendations from the external auditors. This will allow the Fiji Police Force to have a proper accountability of transaction, which may protect from fraud and other discrepancies. Also it will allow the Fiji Police Force to have a more improve accounting processes.

5. Implementation status as in Table 1.1 (Page 11) outlines the percentage of implementations by entity. Recommendation below 50% of total recommendation yet to be implemented is an issue. How does the entity plan try to address these recommendations and its timeline? Who is to take responsibility to implement?

Fiji Police Force is taking proactive action to see that all recommendations given in the report is being taken care of and ensures that the Force Accountant will take responsibility to implement which is not being action yet.

Sir, we appreciate the audit findings and the recommendations contain therein are noted. However, we would be pleased to further clarify issues, if needed.

Vinaka.



R TUDRAVU

Acting Commissioner of Police

20 April 2021





# MINISTRY OF AGRICULTURE

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## MEMORANDUM

From: The Acting Permanent Secretary for Agriculture

File: 33/1

To: The Acting Permanent Secretary for Economy

Date: 19/11/2021

Re: **Audit Report on Follow-Up of High Risk Ministries/Departments (PP No. 271 of 2020)**

In response to the above subject find attached **Annex 1** that contains the responses to the four questions raised by the Public Accounts Committee in relation to year 2017.

We also confirm that all audit recommendation for the year 2017 has been implemented and there are no outstanding issues.

If you need any further information please contact the Head of Finance on 338 3155 or 9988128 or email: [ajay.singh@govnet.gov.fj](mailto:ajay.singh@govnet.gov.fj).

Thank you.

Dr. Vinesh Kumar

**Acting Permanent Secretary for Agriculture.**



## ANNEX 1

### Response to Public Accounts Committee Questions

- (i) Have your Ministry put in monitoring mechanism to monitor and assess how recommendation been implemented?

The Ministry has been reorganizing its organizational structure in order to ensure a smooth flow of communication and a well-functioning monitoring mechanism. The Ministry has also recruited a Head of Finance and a Principal Economic Planning Officer to lead its Monitoring unit, demonstrating that it is serious about its internal control shortcomings. A Post Implementation Review (PIR) mechanism has been implemented for all projects and initiatives going forward, with respective functional divisions responsible for performing this review three months after the program's completion.

M&E will conduct an independent review of the PIR, assess the program's efficacy, and make recommendations for changes or improvements. These have been included in the key control action list, and a monthly review process has been established.

Under the Finance Division, a new Compliance and Governance section has been established. The Manager Compliance and Governance will be in charge of developing the ministry's governance plan. This section will be in charge of ensuring that all audit recommendations are executed and that they do not recur in the future, all of which will be monitored within the governance structure. The Manager Compliance & Governance role is expected to be filled by December 31, 2021. Currently, the Head of Finance is in charge of this department.

- (ii) What are the timelines to implement those recommendations not being implemented as yet?

The three audit recommendations for 2017 have been implemented and the year has come to a conclusion. The upcoming Manager Compliance & Governance, who will be hired by December 31, 2021, will be responsible for putting audit recommendations into action. Currently, the Head of Finance is in charge of ensuring that any audit issues are handled properly.

- (iii) What is your view on Audit Committees and the plan to establish and their role to monitor the implementation of recommendations from external or internal auditors?

The Ministry has established a Compliance Review Team (CRT), which is similar to an audit committee and is made up of a three-member team led by the Manager Compliance & Governance (MCG)/Head of Finance and two others from the operations/HR divisions. The CRT will hear and investigate any Audit and Governance issues within the Ministry. Currently, there are Quarterly Governance meetings when the audit/governance representatives from each division present on their aims and progress on audit and governance concerns pertaining to their respective divisions. The CRT, led by the Manager (MCG), will be in charge of putting all of the internal and external audit recommendations into action.



- (iv) Implementation status as in Table 1.1 (Page 11) outlines the percentage of implementations by entity. Recommendation below 50% of total recommendation yet to be implemented is an issue. How does the entity plan try to address these recommendations and its timeline? Who is to take responsibility to implement?

The Ministry has absolutely implemented the audit issues arising from years 2017, 2018 and 2019 and the Ministry targets to enforce all recommendations within a year after the audit. Currently this is coordinated through the Head of Finance who works with the governance representatives from every division to implement the recommendations. Quarterly governance meetings are held to measure development and achievement and to make certain that the Ministry is on track.

The three issues for 2017 year has been closed as follows:

1. Government wages earners paid from established staff vote

This issue was temporary and was identified and fixed during the financial year 2017 and currently all staff are currently paid from the correct vote.

2. Variances in inventory quantity during annual stock take

The Ministry now conducts quarterly stocktake and any discrepancies are managed on a quarterly basis.

3. Unsubstantiated TMA VAT charges

The issue has been rectified. TMA transactions are VAT exempt and Financials are prepared on a VAT inclusive basis.



# MINISTRY OF EDUCATION

*EDUCATING THE CHILD HOLISTICALLY FOR A PEACEFUL  
AND PROSPEROUS FIJI*



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File: FIN 04/21

09 April 2021

The Honourable Alvick Maharaj  
Chairman of the Public Accounts Committee  
Parliament Complex  
Gladstone Road  
Suva

Dear Sir

## **PARLIAMENT PAPER NUMBER 271 OF 2020**

Reference is made to report of the Office of the Auditor General of the Republic of Fiji: Audit report on follow up of high risk ministries/departments

Recommendations are noted as outlined in section 2.3 which states, the Permanent Secretary as Chief Accounting Officer must ensure that:

- (i) there is a monitoring mechanism within their respective entity/agency to be able to monitor and assess how well Accounting Heads has implemented the recommendations made;
- (ii) monthly updates on audit recommendations are submitted by Accounting Heads as required by Finance Instructions 60(1);
- (iii) relevant processes are put into place to ensure audit recommendations are implemented on a timely basis;
- (iv) controls are continuously implemented to avoid repeated audit findings
- (v) performance indicators of Accounting Heads and other staff include timely implementation of audit recommendations; and
- (vi) establish Audit Committees to monitor the implementation of recommendations made in reports prepared by OAD and internal auditors.

The recommendations in report for MEHA 2017 are noted. It is also noted the follow up on recommendations was done on 22/4/2020. The update and planned action is as per table below;



	Recommendations in Report	Status	Planned Actions
	<b>Under Utilization of Capital Expenditure Budget</b>		
1.	Should ensure that proper planning is carried out for the implementation of its capital projects	Partially Implemented	<p>The Ministry will ensure timely implementation of capital projects. Director Asset Monitoring Unit will provide monthly update to Head Corporate on implementation which is aligned to Annual Work Program and Quarterly Project Performance Reporting.</p> <p>The Ministry has had discussions with Ministry of Economy to ensure all new requirements/guidelines and criteria's from their end is communicated and confirmed before-hand. This will prevent capital project submissions from floating back and forth the respective ministries and effectively negate any delays arising from these reasons.</p>
2.	Should ensure that all capital project submissions are done through Public Sector Investment Program process; and consider including the Minister's initiatives allocations in their budget submission.	Fully Implemented	
	<b>Building Grant</b>		
3.	Should only release building grants to schools which have fully complied with the Capital Grants for Non-Government Schools Policy	Fully implemented	
	<b>Finalization of Financial Statements</b>		
4.	Should ensure that accurate financial statements are submitted by the due date and approved additional spending are regularized on a timely basis	Not Implemented	<p>The Ministry has set strict deadlines on all of its critical deliverables including the submission of financial statements, which is reflected in the IWPs for the Finance section, thus there should not be any further delays in the submission of the financial statements going forward.</p> <p>AFS 2019-2020 has been submitted on 30<sup>th</sup> October 2020 as per deadline set in Closing of Accounts Circular 2019-2020. Ministry of Economy and Office of Auditor General has received the despatch.</p>

For clarifications, please contact Manager Finance on email [dinesh.kumar@govnet.gov.fj](mailto:dinesh.kumar@govnet.gov.fj) or Head, Corporate Services on email [edwin.kumar01@govnet.gov.fj](mailto:edwin.kumar01@govnet.gov.fj)  
Thank you.



Dr. Anjeela Jokhan  
**Permanent Secretary Education, Heritage & Arts**

- c) Has the Ministry improved the process of issuing stock to ensure approved requisition forms are first authorized before issue of stock?

The Warehouse Manager now vet all orders before processed and delivered.

## **Ministry of Health and Medical Services**

### **Audit Report on Follow-Up of High Risk Ministries/Departments (PP No. 271 of 2020)**

- (i) Have your Ministry put in monitoring mechanism to monitor and assess how recommendation been implemented?

The current process at the Ministry is that when the audit report (internal or external) is received, and audit response is submitted to audit, a follow up email is then sent (by the Senior Accountant Audit, who is based at our Finance Unit) to those that are responsible to implement audit recommendations, to state the status of their implementation. Based on their responses, a follow up template is updated accordingly to indicate if the audit recommendation has been implemented, not implemented or in progress. These follow up template are submitted to audit when they conduct their audit follow up. However, audit always request for evidence of implementation which is also submitted to them.

The monitoring mechanism to monitor and assess audit recommendations will be properly and consistently done if an independent audit and monitoring & evaluation unit/team is established and this role/activity is added to them.

- (ii) What are the timelines to implement those recommendations not being implemented as yet?

There is no timeline to implement audit recommendations. However, when External auditors conducted their follow up on audit recommendations, then the responsible units/officers are requested to submit their update the Follow ups are made to those responsible to implement but the timeline stated in the audit responses is

- (iii) What is your view on Audit Committees and the plan to establish and their role to monitor the implementation of recommendations from external or internal auditors?

The establishment of the audit committee and an independent audit and monitoring & evaluation unit/team will be and added advantage to the Ministry, given the significant budget, number of personnel and different functions of the Ministry. Currently, the Ministry only have a position within the Finance department called Senior Accounts Officer Audit and it is the sole responsibility of this officer to conduct internal audits, special audit, special investigations, collating of Ministry's audit responses and responses to the Public Accounts committee and assisting the External auditors & internal auditors from Ministry of Economy. Follow ups on recommendations are also conducted by her, however there is lack of independence and authority for her to be able to strictly monitor and assess those that are responsible for implementing audit recommendations from external and internal auditors.

- (iv) Implementation status as in Table 1.1 (Page 11) outlines the percentage of implementations by entity. Recommendation below 50% of total recommendation yet to be implemented is an issue. How does the entity plan try to address these recommendations and its timeline? Who is to take responsibility to implement? The responsibility to implement audit recommendations lies with the respective officers and their unit heads/supervisors.



## Public Accounts Committee

### Ministry of Infrastructure and Meteorological Services

1. Have your Ministry put in monitoring mechanism to monitor and assess how recommendation been implemented?

- The ministry has set up an Audit committee in 2021 that reviews audit findings and collates the Ministry's information in regard to the issues raised.
- There is also a monitoring and evaluation team set up under the new strategic planning unit which monitors progress of individual departments against the government targets in line with the approved processes. (SOPs)

2. What are the timelines to implement those recommendations not being implemented as yet? Explain why the recommendations therein have not been implemented?

	Issues to be Addressed	Timelines to implement; Why not yet implemented?
1	<b><u>Anomalies in reporting of TMAs</u></b> Should ensure that adequate disclosures are made in the financial statements for the users of the financial statements to make informed decisions	<ul style="list-style-type: none"> <li>- Recommendation duly noted</li> <li>- 2021</li> <li>- All adequate disclosures have been made</li> </ul>
2	<b><u>FEA grid and house wiring refunds in the Energy Trust Account</u></b> Should ensure that necessary action is taken to substantiate the closing balance held in the trust account	<ul style="list-style-type: none"> <li>- All deposits for housewiring and SHS have been refunded in 2017.</li> <li>- The closing balance in the Trust Account is funds from the SHS revenue and performance bonds from current contracts.</li> </ul>
3	<b><u>P2P listing not regularly updated and reconciled with general ledger</u></b> Should ensure that P2P is regularly updated and reconciled with general ledger	<ul style="list-style-type: none"> <li>- 2020</li> <li>- P2P is regularly updated and reconciled with general ledger (all is up to date)</li> </ul>
4	<b><u>Delay in filling of vacant positions</u></b> Should identify positions which needs to be filled and prioritize filling these positions	<ul style="list-style-type: none"> <li>- 2020</li> <li>- This process is in progress. 86% of all vacancies have been filled, the 14% is evaluated for filling and also for reprioritization for new positions (subject to final approval from MCS and reprioritization process from MOE based on government directives)</li> </ul>

5	<p><b><u>Internal control deficiency in inventory management – GSS</u></b></p> <p>Should consider appointing an experienced storeman who should be given responsibility of maintaining and updating inventory and related records</p>	<ul style="list-style-type: none"> <li>- 2021</li> <li>- A storeman has been engaged with GSS to undertake the duties noted. For details, refer to MCTTT (GSS transferred)</li> </ul>
6	<p><b><u>Projects on hold due to land consent</u></b></p> <p>should ensure that proper due diligence is exercised prior to awarding of contracts</p>	<ul style="list-style-type: none"> <li>- The project referred was completed in 2020.</li> </ul>
7	<p><b><u>Main trust fund receipts not used for solar home systems</u></b></p> <p>Should liaise with Ministry of Economy and find a solution for better utilization of funds held in the energy trust fund account</p>	<ul style="list-style-type: none"> <li>- Ministry will liaise with MOE for utilization of funds for Rural Electrification Projects.</li> </ul>

3. For those recommendations categorized as partially implemented that has been indicated by the Auditor General, are they now fully implemented? If not, why not?

8	<p><b><u>Variance between TMA building cash book with its bank reconciliation</u></b></p> <p>1. Should ensure that;</p> <ul style="list-style-type: none"> <li>- Review functions around bank reconciliations are strengthened</li> <li>- Cash book is properly reconciled to bank reconciliation statements and to general ledger</li> <li>- Signed copies of the monthly bank reconciliation are filled and securely kept at the division as well as at the headquarters</li> <li>- Variance of \$27,221 to be rectified</li> </ul>	<ul style="list-style-type: none"> <li>- Staff have been rotated, to improve understanding and ability to carry out reconciliations</li> <li>- Copies of reconciliations are kept with the divisions and HQ (2020)</li> <li>- The process of rectification of the \$27,221 is awaiting Court clearance.</li> </ul>
9	<p><b><u>Anomalies in Joinery and Plumber shop sales</u></b></p> <p>Should ensure that;</p> <ul style="list-style-type: none"> <li>- Proper and updated records are kept for all sales such as quotations, invoicing, receiving of funds, issuing for JRS, status of work</li> </ul>	<p>All records have been updated and kept by the Accounts section in the division and can be sighted when needed.</p>



	<ul style="list-style-type: none"> <li>- Job record sheets(JRS) are issued for all work carried out, supported with a sales invoice and receipt for payment received</li> <li>- Monthly sales reconciliations are carried out and any discrepancies noted is rectified and</li> <li>- Journal adjustments are adequately supported</li> </ul>	<p>This has become part of the Ministry's SOP, and we ensure that it is complied with.</p> <p>The HQ Accounts team makes annual reviews of the Department financial operations</p>
10	<p><b><u>Adjustment for VAT not supported</u></b> Should</p> <ul style="list-style-type: none"> <li>- Provide supporting documents to support the adjustment of \$322,428 in the financial statements and</li> <li>- Also ensure that monthly reconciliations of VAT are carried out and any variances noted are investigated and rectified</li> </ul>	<p>The supporting documents were stored separately due to the thick volume, they were later dispatched to OAG for review.</p> <p>Monthly reconciliation of VAT has been undertaken, if there are any variances, these are addressed within the following month.</p>
11	<p><b><u>Anomalies in revenue collection or cartage of freight allocation</u></b> Should ensure that;</p> <ul style="list-style-type: none"> <li>- Fare on the new routes are authorized by the FCCC prior to it being charged and</li> <li>- Details such as number of passengers travelling, cargo details, and rates applied are recorded in the receipts</li> </ul>	<p>The dept. has approval from FCCC, Ministry of Economy and GSS for all the rates.</p> <p>Details of passengers, cargo and related rates are noted in the Bill of Lading</p>
12	<p><b><u>Main trust fund reconciliation not performed monthly</u></b> Should ensure that;</p> <ul style="list-style-type: none"> <li>- Monthly reconciliations are prepared between the trust account and the FMIS general ledger and any variances arising are properly investigated and resolved</li> <li>- Supervisory and review functions are strengthened in order to comply with the finance manual at all times</li> </ul>	<p>The Ministry has addressed this issue, and continually updating as needed.</p> <p>The Finance Manual has been reviewed and the submissions to MOE are submitted on the 15<sup>th</sup> of each month.</p>

4. What is your view on Audit Committees and the plan to establish and their role to monitor the implementation of recommendations from external or internal auditors?

*The Ministry has set up an Audit committee to review and address any/all findings received from external/internal auditors. This is to strengthen the Ministry's response and action to address recommendations as well as capture all our varied services*

5. Implementation status as in Table 1.1 (Page 11) outlines the percentage of implementations by entity. Recommendation below 50% of total recommendation yet to be implemented is an issue. How does the entity plan try to address these recommendations and its timelines? 'Who is taking responsibility to implement?

*Overall, the Ministry has addressed all of the recommendations made, which brings a total of 20/20 (100%) recommendations addressed.*





## MINISTRY OF WOMEN, CHILDREN AND POVERTY ALLEVIATION

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File Reference: SWD 5/1

Date: 21 April 2021

**The Chairperson,**  
Standing Committee on Public Accounts,  
Parliament of Fiji.

Dear Chair,

**Re: Clarification of Issues – Audit Report on Follow Up of High of risk Ministries/Departments (PP No. 271 of 2020)**

1. Thank you for the opportunity to respond to the questions from the Public Accounts Committee regarding the audit queries in relation to the Ministry of Women, Children and Poverty Alleviation as per your Memorandum, (Parl 6/15-7/12) dated 6 April 2021.
2. We acknowledge the authority of the Standing Committee of Public Accounts under standing orders 112 (1) (b) of the parliament of Fiji.
3. Please find attached the response from the MWCPA in the two attachments  
  
(A) Guide to Questions  
(B) Table 1 Appendix 1 - Responses
4. If you have any further queries, please do not hesitate to contact the Permanent Secretary, Ministry of Women, Children and Poverty Alleviation on [jennifer.poole@govnet.gov.fj](mailto:jennifer.poole@govnet.gov.fj) or Tel. 9991184.

Respectfully submitted.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Jennifer Poole'.

Jennifer Poole (Ms)

**Permanent Secretary for Women, Children and Poverty Alleviation**

All correspondence to be addressed to Permanent Secretary for Women, Children and Poverty Alleviation

5<sup>th</sup> Floor Civic Towers, Victoria Parade, PO Box 14068, Suva, Fiji Island  
Tel: (679)3312 199 Fax: (679) 3303829 Website: [www.welfare-women.gov.fj](http://www.welfare-women.gov.fj)

## **Appendix 1**

### **Section A**

**1.0** Itemized below are the Ministry's responses to the questions raised.

**2.0** *Have your Ministry put in monitoring mechanism to monitor and assess how recommendations have been implemented?*

**2.1** The Ministry has included this in its 2021-2022 Costed Operation Plan to be the responsibility of the Executive Support Unit.

**3.0** *What are the timeliness to implement those recommendations not being implemented as yet? Explain why the recommendations therein have not been implemented?*

**4.1** Please refer to Table 1 in *Appendix I*

**4.0** *For those recommendations categorized as partially implemented that has been indicated by the Auditor-General, are they now fully implemented? If not, why not?*

**5.1** Please refer to Table 1 in *Appendix I*

**5.0** *What is your view on Audit Committees and the plan to establish and their role to monitor the implementation of recommendations from external or internal auditors?*

**6.1** This is fully supported as audit highlights anomalies which must be corrected giving the opportunity for Management's comments on what is workable as well as following up on the implementation plan.

**6.0** *Implementation status as in Table 1.1 (Page 11) outlines the percentage of implementations by entity. Recommendation below 50% of total recommendation yet to be implemented is an issue. How does the entity plan try to address these recommendations and its timeline? Who is take responsibility to implement?*



**7.1** Please refer to Table 1 in *Appendix I*



**SECTION B**



<b>TABLE 1</b>					
<b>Recommendations in Report on Social Services Sector – 2017</b>					<b>Status</b>
	<b>F/IMP</b>	<b>P/IMP</b>	<b>N/IMP</b>	<b>N/UPD</b>	<b>Remarks</b>
<b>Follow up of the recommendations for the Ministry of Women, Children and Poverty Alleviation was done in 22/10/19. It is recommended for the Ministry:-</b>					
<b>Annual Board of Survey</b>					
1. Should ensure that the Board of Survey for all Divisions are carried out annually in accordance with Section 49 of the Finance Instruction 200 and Section 24 of the Procurement Regulations 2010		✓			<ul style="list-style-type: none"> <li>• Timeline – Fixed Asset Register currently compiled which will be followed by BOS and is expected to be completed by 1<sup>st</sup> quarter of new financial year , 31/10/2021</li> <li>• Explanation – shortage of staff. A new Head of Administration and Finance was Recruited for high level supervision.</li> <li>• Responsible Officer - PAS</li> </ul>
<b>Internal controls not implemented resulting in payment anomalies</b>					
2. Should strengthen compliance with internal controls over procurement of goods and services			✓		<ul style="list-style-type: none"> <li>• Timeline – 31/10/2021</li> <li>• Financial Manual (FM) will be finalized by 31/7/2021; some internal circulars issued</li> <li>• Responsible Officer - PAO</li> </ul>

**SECTION B**




<b>Missing Payment Voucher and Other Records</b>						
3. Should: <ul style="list-style-type: none"> <li>• Locate the missing documents and produce them for audit purposes; and</li> <li>• Ensure proper and systematic storage of payment vouchers for easy identification and retrieval.</li> </ul>						<ul style="list-style-type: none"> <li>• Timeline – filing system was not in order during the time of the audit, documents could not be located</li> <li>• Proper system now in place but the challenge is the lack of storage space for finance files.</li> <li>• Responsible Officer - PAO</li> </ul>
<b>Fixed Asset and Expendable Items Register not maintained p-to date</b>						
4. Should ensure that all fixed assets and expendable items are promptly recorded in the Fixed Assets and Expendable Items registers when purchased.						<ul style="list-style-type: none"> <li>• Timeline – Fixed Asset Register currently compiled which will be followed by BOS and is expected to be completed by 1<sup>st</sup> quarter of new financial year , 31/10/2021</li> <li>• Explanation – shortage of staff</li> <li>• Responsible Officer - PAS</li> </ul>
<b>Anomalies in the Social Welfare Programmes</b>						



**SECTION B**

<p>5. Should:</p> <ul style="list-style-type: none"> <li>• Comply with the Standard Operating Procedures for the Social Welfare Programs; and</li> <li>• Refresher training to be held for Social Welfare Officers to emphasize the importance of complying with the Standard Operating Procedures while processing the applications.</li> </ul>						<ul style="list-style-type: none"> <li>• Social Welfare Reform (SWR) currently in process to design MIS and review and address SOP's Recruitment is underway for the National Coordinator Reform &amp; Technical Advisors for SOPs etc.</li> <li>• Training is included in the TA</li> <li>• Funding resources provided in Ministry annual allocation for reform.</li> <li>• Responsible Officer – ADFS/SSA</li> <li>• Reform oversight/DSW/PS</li> </ul>
<b>Pending Applications for Social Welfare Scheme</b>						
<p>8. Should develop strategies to ensure that applications are processed in a timely manner.</p>						<ul style="list-style-type: none"> <li>• Timeline cannot be standardized as processing time depends on the type of case/application received and response time from the recipient</li> <li>• Challenge will be considered during the finalization of the SWR on how to classify these applications</li> </ul>

**SECTION B**

					<ul style="list-style-type: none"> <li>• Depends on the type of program concerned</li> <li>• Responsible Officer – ADFS/SSA</li> </ul>
<b>Anomalies noted in SLG 84 Accounts</b>					
<p>9. Should ensure that:</p> <ul style="list-style-type: none"> <li>• Monthly reconciliations and acquittals are prepared and submitted to Ministry of Economy;</li> <li>• Carry forward balances for prior years is verified and rectified; and</li> </ul> <p>Journal vouchers passed in the FMIS general ledger are adequately supported and approved by the Senior Accounts Officer.</p>					<ul style="list-style-type: none"> <li>• Timeline: on- going submission of monthly reconciliation done</li> <li>• Now fully implemented</li> <li>• Responsible Officer - PAO</li> </ul>
<b>Anomalies in the Revolving Fund Account (RFA)</b>					
<p>11. Should:</p> <ul style="list-style-type: none"> <li>• Provide adequate training, supervision and monitoring of staffs in Accounts section;</li> <li>• Investigate and rectify credit entries in the RFA reconciliation;</li> <li>• Ensure that the outstanding accountable advances is reconciled and recovery procedures instigated against officers who did not retire advances; and</li> <li>• Ensure that all journal adjustments are supported and reviewed by the Principal Accounts Officer before posting to the general ledger.</li> </ul>					<ul style="list-style-type: none"> <li>• WOG training attended by MWCPA Accounts Staff</li> <li>• Recovery procedures done</li> <li>• Internal circular issued on Management of Accountable Advance</li> <li>• Recommendation currently implemented &amp; FM</li> <li>• Responsible Officer - PAO</li> </ul>
<b>Unsubstantiated Operating Trust Balances</b>					
<p>12. Should:</p> <ul style="list-style-type: none"> <li>• Investigate and rectify carry forward balances from prior years; and</li> <li>• Improve its reconciliation process to include detailed listing of closing balance on a monthly basis.</li> </ul>					<ul style="list-style-type: none"> <li>• Yet to be cleared due to the challenge of having to review past years' records</li> </ul>

**SECTION B**

					<ul style="list-style-type: none"> <li>• Current process of verifying will be completed by 31/10/2021</li> <li>• Responsible Officer - PAO</li> </ul>
<b>Absence of Risk Management Policy</b>					
13. Should work towards establishing a governance and accountability function that support the operations of the Ministry by providing financial and operational risk management of external reporting obligations.			✓		<ul style="list-style-type: none"> <li>• Risk Management Matrix is reflected in the COP 2020-2021</li> <li>• Policy is currently being developed and will be ready by 31/10/2021</li> <li>• Responsible Officer - DCS</li> </ul>
<b>Finalization of Financial Statements</b>					
14. Should ensure that accurate financial is submitted before due date and timely responses are provided for management letters issued.		✓			<ul style="list-style-type: none"> <li>• Fully implemented</li> <li>• SOP with timelines will be finalized by 31/7/2021</li> <li>• Responsible Officer - PAO</li> </ul>



# MEMORANDUM

**FROM:** The Permanent Secretary for Rural & Maritime Development and Disaster Management **PH** : 3313400

**TO:** The Secretariat, Public Accounts Committee **FILE REF:** 6/4/1

**RE:** **RESPONSES TO PAC QUERIES** **DATE** : 19/04/21

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I refer to your memo referenced Parl. 6/15-7/20 dated 6 April 2021, outlined below are responses to the issues raised by the Committee Secretariat on the 2016-2017 Annual Financial report as issues not been fully implemented by the Ministry:

## **1. Absence of Risk Management Framework**

A Risk Management Policy has already been formulated. Few initiatives have been also implemented to address risks and these includes:

- HODs performance assessment on Audit issues,
- 10 point plan for weekly monitoring by the Permanent Secretary and
- Data gathering on risk based information started in 2020 through workshop, project monitoring and meetings as part of integrating various risks components in the Ministry with the view to incorporate in the Capital Programs SOPs.

The establishment of the Audit and Risk Committees is a component of the Risk Policy.

The plan to implement audit recommendations is already included in the Ministry 10 point plan and currently tracked on weekly basis.

The Policy Division is responsible for the development of all Ministry policies. In the meantime the Development Division is compiling all Capital Projects risks profile while the Corporate Services Division compiles other Organizational risks including Financial and Operational risks.

## **2. Presentation of Main Trust Accounts**

The current status in the report states Partially Implemented. However it is noted that these issues were followed up by the OAG and reported again in February 2019 whereas these had been fully addressed and resolved by December 2020.

The Ministry currently maintains only two active Trust Fund Bank Accounts and these are for (1) Self-Help Project 1/3<sup>rd</sup> Community Contribution and (2) PM's Disaster Relief Trust Fund Bank Account;

The Rural Housing Unit (RHU) had been transferred to Ministry of Housing with its Trust Fund therefore there is no need to open another bank account.

The issue had been discussed with the OAG Audit Managers and resolved, hence an Unqualified Opinion on the Ministry's AFS 2018-2019.

Respectfully submitted.



David Kolitagane

**Permanent Secretary for Rural and Maritime Development and Disaster Management**



# RESPONSE TO PUBLIC ACCOUNTS COMMITTEE ON CLARIFICATIONS OF ISSUES –REF: PP No. 271 of 2020

QUESTIONS		1. ABSENCE OF RISK MANAGEMENT FRAMEWORK	2. PRESENTATION OF MAIN TRUST ACCOUNTS
1. Status – as per report 2. Monitoring mechanism to monitor recommendation is implemented. 3. Timelines to implement recommendations; - Explain why not yet implemented?		<p><u>Recommendation:</u></p> <p>Ministry Should –</p> <p>Work towards preparing a risk management framework; Following the framework, a Governance and Accountability function that supports the operations of the Ministry by providing financial and operational risk management and management of external reporting obligations, should be established.</p>	<p><u>Recommendation:</u></p> <p>Ministry Should –</p> <p>Work towards opening separate bank accounts for various trust fund currently recorded under the Provincial development Trust Fund Account and prepare separate Statements of Receipt &amp; Payments</p>
		<p><b>Not Implemented</b></p> <p>A draft policy has been prepared. Copy attached as Annex 1.</p> <p>Although the Ministry is still in the process of implementation the Risk Management Framework, a few initiatives have been implemented to address Risks. These includes:</p> <ul style="list-style-type: none"> <li>⬆ HODs performance assessment on Audit issues;</li> <li>⬆ 10 point plan for weekly monitoring by the PS;</li> <li>⬆ Data gathering on risk based information started in 2020 through workshop, project monitoring and meetings as part of integrating various risks components in the Ministry with the view to incorporate in the Capital Programmes SOPs.</li> </ul> <p>Timeline to complete project is on 30 September 2021.</p> <p>The Ministry is still in the consolidation stage.</p>	<p><b>Partially Implemented</b></p> <p>i. These issues were reported in February 2019 whereas these had been addressed and resolved by December 2020;</p> <p>ii. The Ministry maintains two active Trust Fund Bank Accounts which are only for (1) Self-Help Project 1/3<sup>rd</sup> Community Contribution &amp; (2) PM's Disaster Relief Trust Fund Bank Account;</p> <p>iii. The Rural Housing Unit (RHU) had been transferred to Min. of Housing with its Trust Fund;</p> <p>iv. There is no need to open any other bank account.</p>



QUESTIONS	1. ABSENCE OF RISK MANAGEMENT FRAMEWORK	2. PRESENTATION OF MAIN TRUST ACCOUNTS
	<p><u>Recommendation:</u></p> <p>Ministry Should –</p> <p>Work towards preparing a risk management framework; Following the framework, a Governance and Accountability function that supports the operations of the Ministry by providing financial and operational risk management and management of external reporting obligations, should be established.</p>	<p><u>Recommendation:</u></p> <p>Ministry Should –</p> <p>Work towards opening separate bank accounts for various trust fund currently recorded under the Provincial development Trust Fund Account and prepare separate Statements of Receipt &amp; Payments</p>
<p>4. If Partially Implemented: Recommendations – Status? If not implemented then why not?</p>	<p>Same as above.</p>	<p>The issue has been discussed with the OAG audit managers and resolved through an exhaustive verification and reconciliation process.</p> <p>Such issues had been the basis for the Auditor general's Qualified Opinion over the past years however these had been cleared in the 2018-2019 AFS with an Unqualified Opinion.</p>
<p>5. View on Audit Committees (AC)?</p> <ul style="list-style-type: none"> <li>- Plan to establish ACs?</li> <li>- Role of ACs to monitor the implementation of recommendation from external / internal auditors</li> </ul>	<p>The establishment of the Audit Committees is a component of the framework.</p>	<p>i. The Ministry needs to establish an AC to fulfill its Corporate Governance and overseeing responsibilities in relation to its financial reporting, Internal Control System, Risk Management System and internal / external audit functions;</p>
<p>6. How does the entity plan to address recommendations and timeline?</p> <ul style="list-style-type: none"> <li>- Who is responsible to implement?</li> </ul>	<p>The plan is already included in the Ministry 10 point plan and currently tracked on weekly basis.</p> <p>The Policy Division is responsible for the development of all Ministry policies. In the meantime the Development Division is compiling all Capital Projects risks profile while the Corporate Services Division is compilation other Organizational risks such as Governance and Management, Financial, Operational and Environmental Risks.</p>	<p>Currently in absence of the AC, all Audit Results through auditors' reports are received by the Permanent Secretary (PS)'s office in HQ.</p> <p>The audit report(s) are then marked to the Director Corporate and Principal Accounts Officer to scrutinize and prepare draft responses with evidence within set timelines.</p>



QUESTIONS	1. ABSENCE OF RISK MANAGEMENT FRAMEWORK	2. PRESENTATION OF MAIN TRUST ACCOUNTS
	<p><u>Recommendation:</u></p> <p>Ministry Should –</p> <p>Work towards preparing a risk management framework; Following the framework, a Governance and Accountability function that supports the operations of the Ministry by providing financial and operational risk management and management of external reporting obligations, should be established.</p>	<p><u>Recommendation:</u></p> <p>Ministry Should –</p> <p>Work towards opening separate bank accounts for various trust fund currently recorded under the Provincial development Trust Fund Account and prepare separate Statements of Receipt &amp; Payments</p> <p>Once the Draft is compiled then presented to the PS for seeking clearance, subject to any amendment required by PS for improvement of the responses.</p>