



MINISTRY OF DEFENCE AND NATIONAL SECURITY



2017 – 2018 ANNUAL REPORT



Table of Contents

4	Referral Letter to Minister
5	Permanent Secretary's Summary
6	Strategic Priorities
7	Management Structure
7	Department and Divisional Reports
8	a. Corporate Services Division
8	b. National Assessment Division
8	c. Security Forces Division
8	d. National Security and Defence Review Project
10	Audited Financial Statements and Reports
12	Acronyms

LETTER

Refferal Letter

Hon. Inia B Seruiratu
Ministry of Defence, National Security and Policing,
Level 1 Government Building New Wing,
SUVA.

Dear Sir,

I have the great pleasure in submitting to you, for presentation to Parliament, the Annual Report of the Ministry of Defence, National Security and Policing 2017 - 2018.

The Report highlights the Ministry's performance in delivering services to the people of Fiji and contributing to the outcomes targeted by the Government including the Audited Financial Statements as required by section 45 (3), 46 (2), 47 (2) and 48 of the Financial Management Act 2004.

The report also illustrates the effort, commitment and achievements of our staff.


.....
Yours sincerely
Manasa Lesuma
Permanent Secretary

STATEMENT

Permanent Secretary's Statement



It is my great pleasure to present to you the 2017 - 2018 Annual Report for the Ministry of Defence and National Security now known as the Ministry of Defence, National Security and Policing. The report reflects the achievement of activities for the 32 Outputs identified under the 6 Outcomes derived from the National Development Plan and the Roadmap for Democracy and Sustainable Socio-Economic Development.

The achievements highlighted are reflective of the commitment by the Ministry in delivering the set deliverables despite that many challenges it faced during this implementation period.

The plan developed by the Ministry for this reporting period had recognises the important role that our citizens play in the security of our nation.

I wish to acknowledge the guidance and support provided by the Honourable Minister who had spearheaded the focus and direction of our Ministry during this reporting period.

The Ministry will continue to achieve its KPIs and will embrace new challenges that may come our way in the next financial year. I extend my sincere appreciation to all staff in the Ministry and stakeholders for the remarkable achievement.


.....
Manasa Lesuma
Permanent Secretary for Defence, National Security and Policing

TABLE 1: Linkage To Government's Strategic Priorities

KEY PILLARS [NDP/NSS]	TARGETTED OUTCOME [GOAL/POLICY OBJECTIVES]	OUTCOME PERFORMANCE INDICATORS	MINISTRY'S OUTPUTS
Maintenance of Internal Stability	Enhanced whole of Government (WOG) commitment to National Security	Strengthening of the Ministry of Defence.	1. Construction of a new Defence HQ 2. Complete reform and enhance capability and capacity within the Ministry
		Capacity building and awareness within the public sector, civil society organizations, private sector and people.	3. Provide security and defence advice as and when needed to Government executives 4. Revitalize and strengthen security awareness within the public sector as an avenue for information exchange 5. Revitalize and strengthen domestic security apparatus and review and enforce regulated security responsibilities 6. Contribute effectively to meetings and forums organized by other Ministries and Organizations 7. Conduct security awareness to the Public 8. Completion of the National War Memorial [Capital project] and oversee conduct of National Events
		Develop and maintain strong leadership	9. Develop technically and tactically astute leaders
	Effective Intelligence Services for Fiji	Intelligence Sector Reform	10. Review of the current intelligence set up and the establishment of a more streamlined and effective intelligence platform
		Effective provision of timely intelligence advice on security and defence matters	11. Provision of Intelligence advice to Ministry's customers as and when needed
	Strengthening Law and Order, Safety and Security	Strengthen Fiji Police Capabilities and Competencies in the just application of the law within the context of the wider justice system	12. Institutional strengthening of the Fiji Police Force
		Strengthen coordination between local and international law enforcement agencies	13. Review existing and develop existing police MOUs and agreements
		Review and modernize legislations in line with NSS and international best practices	14. Review of current FPF legislative framework to meet evolving internal security discourses

KEY PILLARS [NDP/NSS]	TARGETTED OUTCOME [GOAL/POLICY OBJECTIVES]	OUTCOME PERFORMANCE INDICATORS	MINISTRY'S OUTPUTS
Maintenance of Sovereignty And Territorial Integrity	Border Security and Territorial Integrity	Develop and strengthen capabilities in monitoring and data analysis	15. Develop data collection and data analysis capability and capacity
		Review and modernize Border security legislations and policies in line with NSS and international best practices	16. Develop policies and contingency plans to assist in bolstering Fiji's border security and territorial integrity
	Strengthening Defence Capabilities	Review and modernize legislations in line with NSS and international best practices	17. Review of current RFMF legislative framework to meet evolving defence and security discourses
		Strengthen capabilities and capacities within the RFMF.	18. Institutional strengthening of the RFMF
		Strengthen coordination with international defence partners and institutions	19. Improving Fiji's defence through diplomacy
		Support civil defence response against manmade and natural emergencies	20. Improving Fiji's national response mechanism to natural and manmade emergencies
		Support the provision of an effective response to terrorist activities	21. Development of an effective and efficient Counterterrorism platform
Support the maintenance of internal stability	22. Develop mechanism to allow for a legal and smooth transition of command should there be a need for RFMF intervention		
Maintenance of A Secure Cyber Space	Effective Public-Private Partnerships against cyber	Effective and efficient cyber mechanism	23 Development of an effective and efficient intelligence and response mechanism against cyber-attacks or crimes
LINKAGES TO PS PERFORMANCE PILLARS, MOF AND MCS DELIVERABLES			
Ensuring Financial Effectiveness	Effective financial management to support sustainable outcomes and to maximize public value	ZERO Audit	24. Sound and effective financial management
			25. Timely submission of financial reports and requirements to Ministry executive and external customers
Improving Internal Business Processes	Enhanced efficiency and effectiveness in the Ministry	Effective and efficient business processes in place to provide platform for timely delivery of services to our customers [Customer satisfaction]	26. Human Resource(HR) Management
			27. Effective and efficient planning processes to drive service delivery
			28. Effective Business Process Re- Engineering(BPR)
Delivering Distinctive Quality	Continuous improvement of the service delivery in line with the Government's objective of the Ministry	Continuous improvement of service delivery against service standards	29. Appointment and Discipline
			30. Adherence to Service Charter
Learning And Development Culture	Cultivating a highly engaged and passionate workforce who strive for service delivery and excellence in a nurturing work environment	A technically and tactically efficient workforce	31. Staff development

CORPORATE

Corporate Profile



VISION

"A Safe, Secure And Prosperous Fiji For All"

MISSION

"To Provide Strategic Leadership In An Integrated National Security And Defence Mechanism That Ensures Safety And Security As A Catalyst For Socio-Economic Growth"



VALUES

values

TRANSPARENCY

We will practice openness and be transparent in our dealings with all stakeholders

We will at all times be accountable for all decisions and actions and we will not abandon our responsibility

ACCOUNTABILITY

HONESTY

We will act and speak truthfully at all times

We will aim to do more with less and have quick turnaround time for all services to our stakeholders

EFFICIENCY

CUSTOMER FOCUS

We will serve our customers and strive at all times to meet their expectations

We will maintain the highest ethical standards in all our dealings

INTEGRITY

PROFESSIONALISM

We will be professional and expedient at all times ensuring that our services and the quality of service we provide are of the highest standard

We will at all times Trust and Support each other, build good relationships and maintain Good Team Spirits.

TEAMWORK

OUR CUSTOMERS

We take pride in serving our customers by implementing the 'Customer Service Charter' which sets out our commitment to providing high quality standards of services that is beyond customer expectations.

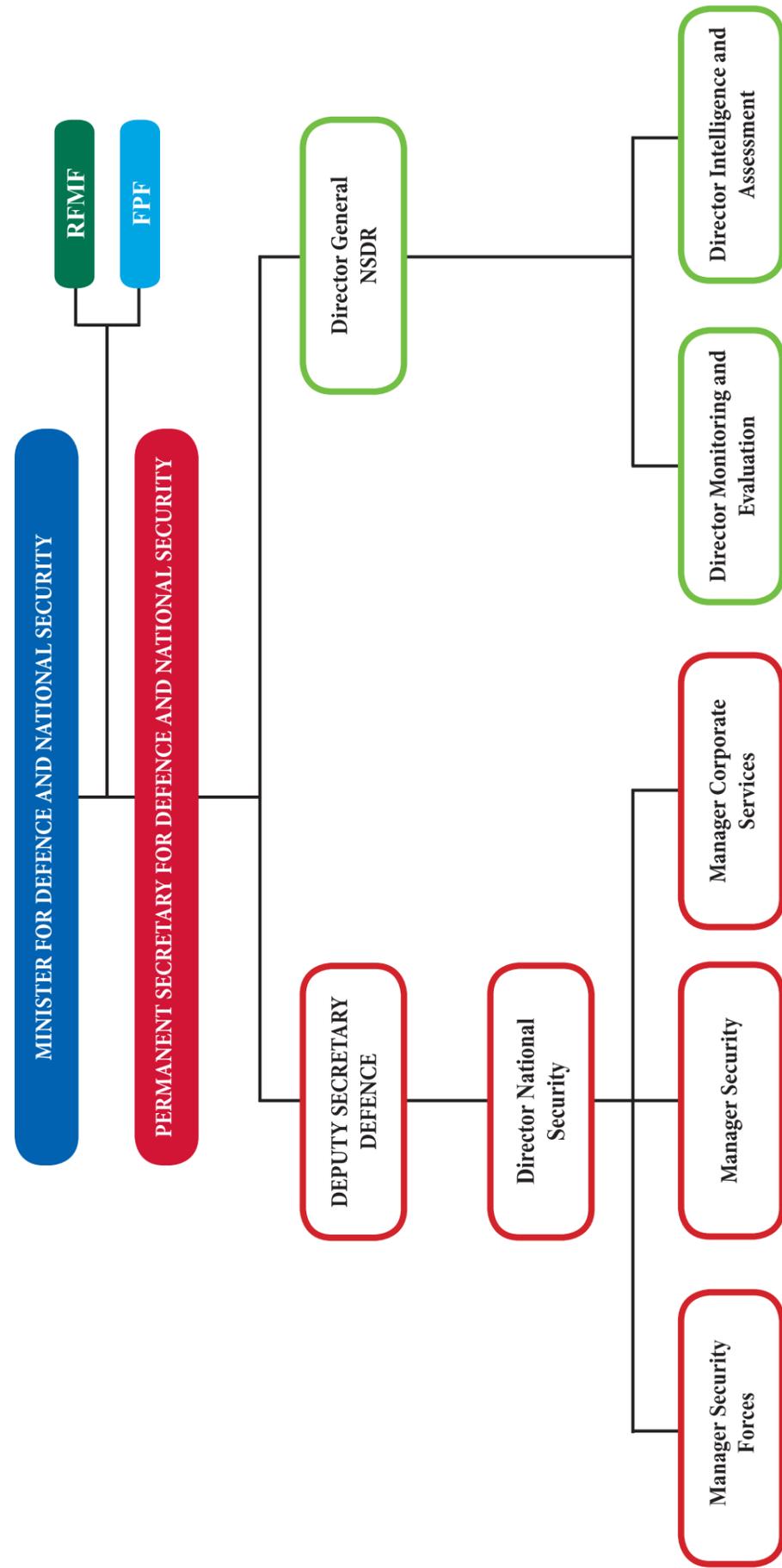
Our customers include:

INTERNAL	EXTERNAL
Minister for Defence, National Security	HE the President
Executive Management	Prime Minister
Fiji Police Force	ALL Ministers
Republic of Fiji Military Forces	Cabinet Office
ALL Staff	Ministries and Departments
	Members of the Public
	Private Sector
	Statutory Bodies
	Non-Governmental Organisations
	Diplomatic Missions
	International Organisations
	Providers of Goods and Services



STRUCTURE

Organisation Structure



FUNCTIONS

Our Statutory Functions

Defence & National Security

- Defence & National Security
- Defence, Security & Public Order
- Hydrography
- Maritime Surveillance
- National Day Celebrations
- Rehabilitation of Offenders
- Veteran Affairs

Responsibility for all written laws regulating the business of the above functions including in particular the following Acts, Promulgations and Decrees and the subsidiary laws made thereunder:-

- Anti-Personnel Mines Decree 2011
- Arms and Ammunition Act 2003
- Biological & Toxin Weapons Decree 2011
- Chemical Weapons Convention Act 2005
- Geneva Conventions Promulgations 2007
- Police Act (Cap. 85)
- Public Order Act (Cap 20)
- Public Safety Act (Cap 19)
- Rehabilitation of Offenders (Irrelevant Convictions) Act 1997
- Republic of Fiji Military Forces Act (Cap 81)
- Security Industry Decree 2010
- Visiting Forces Decree 1991
- State Service Decree 2009

Functions Of The Permanent Secretary

Subject to Section 127 (3), (7) and (8) of the 2013 Constitution the Permanent Secretary has the following functions -

- responsible to the Minister for the efficient and economical management of the Ministry of Defence & National Security;
- have the authority to appoint, remove and institute disciplinary action against all staff of the Ministry with the agreement of the Minister of Defence, National Security; and
- to determine all matters pertaining to the employment of all staff of the Ministry, with the agreement of the Minister, including:
 - terms and conditions of employment;
 - qualification requirements for appointment and the process to be followed for appointment which must be open, transparent and competitive selection based on merit;
 - salaries, benefits and allowances payable in accordance with the approved budget; and
 - total establishment or the total number of staff that are required to be appointed in accordance with the approved budget

CSD

Corporate Services Division (CSD)

The overall roles and functions of the Corporate Service Division are:

- To ensure uniformity and consistency in the application of policies and procedures that pertains to appointments, promotion, retention and discipline;
- To ensure that management and employees have the requisite skills, competencies, and tools to fulfill its mandate;
- To ensure that MDNS has a secure and comfortable environment that is conducive to productivity & OHS compliant;
- To ensure compliance to the relevant Public Service & Financial Acts, Regulations, policies and procedures;
- To provide secretariat support to the Senior Management Meetings and Staff Board.
- Responsible for the coordination of National Events such as the Fiji Day Celebrations and the Remembrance Day.

The financial year 2017 to 2018 highlight was the implementation of the Civil Service Reform in the Ministry spearheaded by the Corporate Service Division. The implementation of the Job Evaluation 2017 resulted in the change in pay structure and the transition of permanent staff to contract basis. Tabulated below were the confirmed number of staff during this transition period with those that had accepted contract with the new salary structure.

	Number of Staff	Staff did not sign transition contract	Staff accepted transition contract
Permanent	4	4	4
Contract	36	36	36
Temporary	5	5	5

The staff who decided not to sign contract is still on permanent terms and conditions of employment serving in the Ministry.

Staff Establishment

The Ministry (HQ) 2017 to 2018 total approved establishment of thirty nine (39) Established, twelve (12) Government Wage Earners. There were also four (4) officers appointed as Temporary Relievers, and four (4) officers appointed as Graduate Volunteer.

Filling of Vacant Posts

The Department continued to implement the Open Merit Recruitment and Selection Guideline with a total of eighteen (18) vacant positions were administered and substantively filled in 2017 to 2018. The eighteen vacant posts consist of 3 established and 15 project positions.

New Appointment

There were new appointments in the Ministry especially in the NSDR Division.

Name	Appointment
Captain Timoci Natuva	Director General - National Security Defence Review Project
Marica Rinakama	Principal Administrative Officer Budget
Alipate Naulivou	Principal Administrative Officer Monitoring and Evaluation
Sainitiki Ravuso	Principal Administrative Officer Assessment
Kuliniasi Tukutukuwaqa	Principal Administrative Officer Intelligence
Talei Volauca	Administrative Officer
Ema Tiko	Administrative Officer
Ilaitia Ravouvou	Administrative Officer
Anasimeci Wainiveikoso	Administrative Officer
Imanueli Kubunavanua	Executive Officer
Vakacegu Ralulu	Executive Officer
Lavenia Tom'Tavala	Executive Officer
Joeli Rokodaveta	Executive Officer
Raijeli Cawai	Executive Officer
Loraini Kurisaru	Secretary



Promotions

A total of three (3) promotions and one (1) sideways transfer were conducted in 2017-2018. These promotions were conducted to fill the vacuum within the Ministry considering the strategic needs of the Ministry and also in recognitions of the hard work put forward by the staff.

Staff	Promoted
Terio Koronawa	Director Policy
Talei Acraman	Senior Sec to Minister
Akata Mani	Senior Sec to PS

Resignation

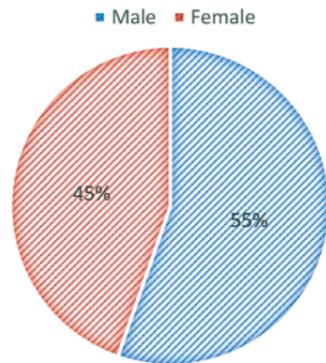
There were a total of five (5) resignations in the Ministry during this reporting period. These officers resignation for further career and personal development.

Staff	Post
Tale Vuiyasawa	Manager Security
Emele Taivei	AO (R&D)
Losana Raikivi	AAO (Salary)
Jimilai Waqa	Driver
Sakeo Raikaci	Security Officer

Gender Representation

The Ministry during this reporting period continue to ensure promotion of equal employment opportunity with gender representation below:

WORKFORCE GENDER REPRESENTATION



National Events

In terms of the coordination of National Events the Division had worked with relevant stakeholders in the facilitation of the two (2) national events

which was the Fiji Day Celebration and the Remembrance Day commemoration.

The coordination of the Fiji Day celebration throughout Fiji on 10 October 2017 was successful. This was also the first time the main celebration was taken out of the central division. The 2017 celebration was held at the Prince Charles Park in Nadi with the theme "Fiji, an All-Inclusive and Caring Nation". The celebration also includes home visitations with the intention in taking the spirit of the celebration to the vulnerable.

The Remembrance Day was also a successful event throughout Fiji. The main commemoration event was held at the National War Memorial, Vuya Road, Suva.

Corporate Social Responsibility

The Ministry participated in a cleanup campaign along the My Suva Park.

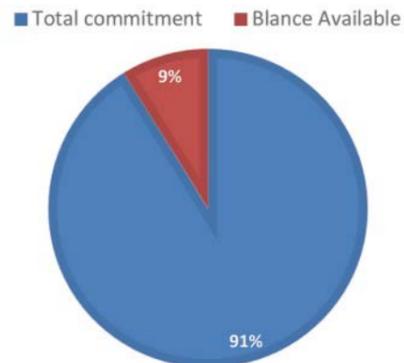
Finance

The Ministry was allocated a total budget of \$5,236,688 million which was coordinated by the Accounts Section. This budget was inclusive of the project as approved by the government in the Reform of the National Security Sector in the guidance of the National Security Defence Review (NSDR).

Additional to the above, the section continued to carry out its role in monitoring and compliance of procedures to the financial regulations.

The utilization rate for the year had showed an increase of 4% compared to the previous year's utilization of 87%.

BUDGET UTILISATION - FINANCIAL YEAR 01 AUGUST 2017 -31 JULY 2018



NAD

National Assessment Division (NAD)

The National Assessment Division (NAD)'s primary responsibility is the provision of timely and quality intelligence advice and assessments to the Government on matters pertaining to national security. Such assessments are done with a strategic focus to further assist Government in development of security policies accordingly to meet the ever evolving changing security landscape.

To facilitate greater efficiency in this regard and to ensure greater information accessibility to the Division, the team had to internally transfer to the National Security Defence Secretariat during the reporting period and which consequentially meant reporting directly to the Director General of the National Security Defence Secretariat. Headed by Manager National Assessment Division, the team came down with a Senior Administrative Officer and two Administrative Officers. Support was also provided via two seconded officers from the Republic of Fiji Military Forces.

The Division's report is reflective of the core deliverables as highlighted in the Ministry's 2017 to 2018 Operational Plan and as similarly outlined in the Division's Business Plan.

Coordination of all national security matters through the National Security and Defence Council

The division provides a strategic intelligence paper during every NSDC meeting and during the reporting period there were two NSDC strategic landscape papers presented. These papers were prepared for the consumption of NSDC members only and covered issues at a global, regional and local level consisting of a comprehensive update on security which possibility could have adverse consequences for the country.

Submission of Assessment Papers

The provision of Assessment Papers is a core responsibility of analysts within the division. Assessments focused on monthly security updates and analysis of information during the month making short to medium term security projections. Focus of Assessment Papers would be on analyst's areas of responsibilities. Issues such as events or persons of interest have also been included but should be of relevance to the analysts' areas of responsibilities. During the reporting period a total of 20 Assessment papers were prepared.

While no separate output was prepared for weekly brief, it had been reflected under the Assessment Papers as this was a new area encouraged by the head of the National Security Defence Council Review team to ensure that NSDC members were informed on latest information on a weekly basis. Because this was a new area for the team and it was a demanding one and only started in April 2018, there was only 12 papers provided by the team.

Establish information sharing with international partners

In regards to the output and contributions which the division makes is more towards liaison with foreign embassies here in Fiji through their respective intelligence representatives. A number of visits were made through the fiscal year. Through this liaison program, a number of trainings were made available to the Ministry on security and intelligence which were held throughout the year.



SFD

Security Forces Division (SFD)

The strategic role of the Security Forces Division is specified as follows:

- A. provide a coordinating role on policy matters that are of relevance to the two disciplined service namely the Fiji Police Force and the Republic Fiji Military Forces;
- B. overseeing our compliance to the various international obligations that impact on Search & Rescue, Defence and Law & Order of which Fiji is a signatory to; and
- C. Coordinate Defence and Security bilateral with other countries.
- D. Coordinate activities on capital projects administered by the Ministry.

This annual report incorporates the Security Forces Division core deliverables as highlighted in the Ministry's Annual Corporate Plan and Division's Business Plan.

The activities highlighted below are specified in order of policy objectives:

Enhanced Whole of Government commitment to National Security

- 40th Anniversary Commemoration Program

Strengthening Law and Order, Safety and Security

Capacity Building initiatives

- China exchange program
- Indonesia exchange program
- Vanuatu (Technical Assistance from FPF)
- Nauru (Technical Assistance from FPF)
- Solomon Island RMSI
- Italy - FPU instructors
- Technical Support to the Fiji Police Force
- Facilitate Courtesy calls and bilateral with Chinese and Indonesian representatives on offer of assistance
- Riot equipment's
- Vehicles
- Motor bikes

In February 2018, formal endorsement from Cabinet on the Bilateral Cooperation between the Governments of the Republic of Fiji and the United States of America on Capability Development for the Fiji Police Force.

The Minister for Defence and National Security attended the 7th Asian Security Summit from 02nd - 05th June 2018. This is an annual event where most Minister of Defence met to discuss global security issues such as the South China Sea, North Korea and the Middle East.

Strengthening Defence Capabilities

In maintaining sovereignty and Territorial Integrity, the Ministry worked on institutional strengthening for the Republic of Fiji Military Forces [RFMF]. This included facilitating capacity building initiatives, capability enhancement of Fiji's peacekeeping initiatives and improving Fiji's Defence through Diplomacy.

In fulfilling the above, the Ministry was able to establish and signed the following Defence Agreements during the reporting period:

- Arrangement between the New Zealand Defence Forces and the Republic of Fiji Military Forces on the Deployment of the Inshore Naval Patrol Vessel HAWEA ;
- Memorandum of Understanding between the Republic of Fiji and Republic of South Korea on Hydrography and Oceanography Matters;
- Military Logistics Support Agreement with the Australian Defence Force;
- Signing of the Defence MOU with the Indian Armed Forces in New Delhi
- Signing of the Defence MOU with the Indonesian Defence Force in September 2017
- Consultation with the United States on the State of Nevada National Guard

In terms of Peacekeeping, the Minister for Defence and National Security and delegation attended the 2017 United Nations Peacekeeping Defence Ministers Meeting that was held in Vancouver, Canada from 14 - 15 November, 2017.

During the Conference, Minister Kubuabola announced Fiji's commitment in the adoption of the three United Nations (UN) Peacekeeping Principles namely:

- the Kigali Principles on the Protection of Civilians;
- Sexual Exploitation and Abuse Compact; and
- the Vancouver Principles on Peacekeeping, and the Prevention of the Recruitment and Use of Child Soldiers.

Major Equipment for Peacekeeping

- Facilitate RFMF training with Australia on the Bushmaster operation
- Progressive consultation on the procurement of additional Bushmaster to support stand by arrangements

Conventions

During the reporting period, the Ministry coordinated consultation to ensure the Signing of the Treaty on the Prohibition of Nuclear Weapons Leading towards their Total Elimination - on the margins of the 72nd Session of the United Nation as General-Assembly on 20 September 2017. The ratification of the Treaty shall be subject to Parliamentary approval.

Search And Rescue

Under this activity the Ministry continued with the review of the Search and Rescue Bill and Manual and had conducted search and rescue workshop with Turaga ni Koros in the Western Divisions.

In terms of the search and rescue budget the Ministry facilitated payments of four search which was conducted in the Rabi, Yasawa, Ono I Lau and Kadavu waters and the search that was conducted in Delaikoro, Labasa for the two deceased aviators.

HUMANITARIAN ASSISTANCE AND DISASTER RESPONSE

- Hon Minister support to the Forces in promoting HADR during bilateral
- Facilitate RFMF submission to strengthen the Force and include HADR as part of recruitment process

Border Security and Territorial Integrity

In ensuring that we maintain a secure cyber space, the Ministry conducted a Cyber Security Dialogue with Australia - Communiqué and also handed over the responsibility to the Ministry of Communications for the finalization of the Cyber Security Strategy.

Melanesian Spearhead Group

The Ministry hosted the MSG Regional Security Strategy (RSS) meeting at the Tanoa International Hotel in Nadi from 26 - 27 July 2018. The meeting had discussed thematic areas that were to be covered under the RSS which would encompassed traditional and non-traditional security components.

The period also recorded the attendance of the Honorable Minister for Defence and National Security to the 3rd MSG Police Ministers Meeting in Jakarta, Indonesia from 30th April to 2nd May 2018. The Honorable Minister was accompanied by Brigadier General Sitiveni Qiliho.



Signing of the PRC grant to RFMF worth \$30M RMB

Signing of the PRC grant to RFMF worth \$30M RMB

3rd MSG Police Ministers Meeting
- Jakarta, Indonesia

Signing of Defence MOU with Indonesia



SFD

National Security Defence Review (SFD)

The NSDR team was set up in 2015 to conduct a review of Fiji's national security, defence and intelligence systems. The team completed a draft of Fiji's first ever National Security Strategy (NSS) in 2016 and has been coordinating and overseeing the development of Fiji's Defence White Paper, Police White Paper and Intelligence White Paper. The Division also administers the conduct of National Security and Defence Council meetings with the intention of becoming the full time secretariat to the Council in 2018.

During this reporting period the project was at its final phase in finalizing the office setup including staffing and had conducted consultations with Ministry of Economy. This is in regards to the two (2) positions of Director General (DG) and Deputy Director General (DDG) which was to be funded in the 2018 - 2019 financial year. This is part of the final Phase 3 of the staffing at the Secretariat.

(i) Staffing

- The recruitment of the two (2) Directorate Positions and the Senior Accounts Officer positions were finalized.

(ii) Establishment of National Coordination Center (NCC)

- The renovation work is currently underway for the National Coordination Center (NCC) Operation Room on Level 1. There is also a project plan totaling \$232, 000 to fully establish the NCC which will be implemented in three Phases continuing into the new financial year;
- Discussions have been ongoing with the Fiji Navy taking into consideration their current Command Centre capabilities. It has also been proposed to establish the same setup cell at the NCC; and
- The team has also started planning to develop a Standard Operation Procedure (SOP) for the NCC that will allow easy access to critical data and manpower assistance.

(iii) Protective Security Policy

The Secretariat is currently working on the Protective Security Policy (PSP). This policy entails the security of all government assets and information including the critical infrastructure.

A workshop was held on 24-25 May 2018 which was co-facilitated by the Ministry and NZIS official at the Tanoa Hotel. The outcome of the workshop was to form a Working Committee to spearhead the Protective Security Policy for Fiji.

The Ministry is currently in the process of installing fingerprint doors on all offices to ensure access is controlled. The Division, in consultation with Security Division is in the process of re-defining its security classification descriptors to ensure that necessary clearances and accesses are given to the right people within the Ministry.

The Division will in July meet with ITC and SG's Office to discuss further on the Protective Security framework after which a paper will be presented to the NSDC for endorsement before substantive work on the Minimum Protective Security Requirements will commence.

(iv) Heads of Intelligence Meeting

- The first Heads of Intelligence (HOI) meeting was held on 8 June 2018 at the Ministry's conference room. The attendance by HOI agencies was overwhelming.
- The outcome of the meeting proposal was to conduct a workshop for all HOI. There was also discussions for constant meetings for HOI to be conducted.

(v) Monitoring and Evaluation Division

- The Secretariat conducted briefing with all Heads of Divisions on the assignment for M&E (MODNS Performance Assessment for the period Aug17-June18).

- The Secretariat conducted the formulation and documentation of M&E's EVALUATION/ ASSESSMENT PROCESS. Commenced formulating (documenting) M&E's MONITORING PROCESS for the Ministry of Defence and National Security for the current financial period. A report on the performance and way forward was submitted to the Office of the Permanent Secretary for Defence and National Security.
 - The Secretariat established a Shared Drive for storage of Reports, ACPs, and Emails.
 - Established and completed a Register for ACPs (government ministries and statutory bodies) stored in Shared Drive (IA and M&E access)
- (vi) **Development on Papers:**
- The NSDC Secretariat is still awaiting feedback from the Solicitor General's Chambers. As per my last progress, the developments on each individual paper are as follow:
 - (i) Defence White Papers [RFMF/FPF]; Papers are still pending with the SG's Chambers.
 - (ii) Review of NSS; Consultations are currently underway on the review of the NSS, the first Draft is ready and a copy will be extended to the PS Foreign Affairs Mr Iowane Naivalurua and Ambassador Esala Teleni for their comments.

- (iii) National Maritime Security Strategy [NMSS]; The Committee met with Hon Asst Minister Joeli Cawaki to discuss the Draft Framework on 24/05/18 and 06/06/18. A Term of Reference (TOR) has been developed with the list of all threats on maritime security. The outcomes of the last Border Agencies workshop will be discussed further on the 2nd Border Agencies workshop

Training

- (vii) Local/ Overseas Trainings

(i) **HONIARA Trip**

- The Director General, Mr Natuva travelled to Honiara to attend the 2nd South Pacific Intelligence Dialogue (SPID) on the 5th June and returned on 8th June upon an invitation from the Australian Government through the Australia Secret Intelligence Services (ASIS).
- The purpose was to build upon the works of SPID 2017 that was held in Fiji. The focus was to further establish the SPID as an important confidential forum in which stakeholders can discuss critical intelligence and security issues for the region.
- A full report and recommendations will be submitted later.

(viii) **Workshop Forecast for NSS are as follow:**

- Table Top Exercise - 13th to 14th Aug 2018 for all Border Agencies.

FINANCIALS

MINISTRY OF DEFENCE, NATIONAL SECURITY AND POLICING

Audited Financial Statement (AFS)



OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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

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



File: 379

29 July 2019

The Honourable Inia Seruiratu
Minister for Defence and National Security
Government Buildings
SUVA

Dear Honourable Seruiratu

MINISTRY OF DEFENCE AND NATIONAL SECURITY
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

The audited financial statements for the Ministry of Defence and National Security for the year ended 31 July 2018 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Ministry for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc: Mr. Manasa Lesuma, The Permanent Secretary, Ministry of Defence and National Security

Encl.

MINISTRY OF DEFENCE AND NATIONAL SECURITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT CERTIFICATE.....	5
STATEMENT OF RECEIPTS AND EXPENDITURE.....	6
APPROPRIATION STATEMENT	7
STATEMENT OF LOSSES	8
NOTES TO THE FINANCIAL STATEMENTS	9

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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

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



INDEPENDENT AUDITOR'S REPORT

MINISTRY OF DEFENCE AND NATIONAL SECURITY

I have audited the financial statements of the Ministry of Defence and National Security, which comprise the Statement of Receipts and Expenditure, Appropriation Statement and Statement of Losses for the financial year ended 31 July 2018, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

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 of Defence and National Security 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.

Management's Responsibilities for the Financial Statements

The management of the Ministry of Defence and National Security are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004, the Finance Instructions 2010 and the Finance (Amendment) Instructions 2016, 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.

Auditor's Responsibilities (Continued)

- 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 of Defence and National Security.

I communicate with the Ministry of Defence and National Security 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



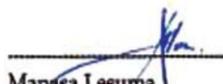
Suva, Fiji
29 July 2019

MINISTRY OF DEFENCE AND NATIONAL SECURITY

MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2018

We certify that the financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Defence and National Security for the year ended 31 July 2018; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Finance Instructions 2010 and the Finance (Amendment) Instructions 2016.


Manasa Lesuma
Permanent Secretary for Defence and
National Security

Date: 22/07/2019


Arieta Rokobera
Senior Accounts Officer

Date: 22/07/2019

MINISTRY OF DEFENCE AND NATIONAL SECURITY

STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
RECEIPTS			
Agency Revenue			
Security Industry Licence Fees	3	25,992	16,631
Total Agency Revenue		25,992	16,631
TOTAL REVENUE		25,992	16,631
EXPENDITURE			
Operating Expenditure			
Established Staff		984,612	1,050,528
Government Wage Earners		340,319	245,155
Travel & Communication		418,477	251,858
Maintenance & Operations		273,679	105,370
Purchase of Goods & Services		293,286	256,745
Operating Grants and Transfers		43,366	50,265
Special Expenditure		1,811,434	625,434
Total Operating Expenditure		4,165,173	2,585,355
Capital Expenditure			
Capital Construction		352,178	90,647
Total Capital Expenditure		352,178	90,647
Value Added Tax		255,484	125,170
TOTAL EXPENDITURE		4,772,835	2,801,172

MINISTRY OF DEFENCE AND NATIONAL SECURITY

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2018

SEG	Item	Budget Estimate \$	Appropriation Changes \$ (Note 5)	Revised Estimate \$ a	Actual Expenditure \$ b	Carry-Over \$	Lapsed Appropriation \$ (a-b) (Note 4)
Operating Expenditure							
1	Established Staff	1,423,330	(438,684)	984,646	984,612	---	34
2	Government Wage Earners	196,627	143,693	340,320	340,319	---	1
3	Travel & Communication	195,000	229,760	424,760	418,477	---	6,283
4	Maintenance & Operations	120,200	160,646	280,846	273,679	---	7,167
5	Purchase of Goods & Services	339,090	(44,491)	294,599	293,286	---	1,313
6	Operating Grants & Transfers	45,140	---	45,140	43,366	---	1,774
7	Special Expenditure	1,865,790	(50,924)	1,814,866	1,811,434	---	3,432
	Total Operating Expenditure	4,185,177	---	4,185,177	4,165,173	---	20,004
Capital Expenditure							
8	Capital Construction	756,611	---	756,611	352,178	---	404,433
	Total Capital Expenditure	756,611	---	756,611	352,178	---	404,433
13	Value Added Tax	294,900	---	294,900	255,484	---	39,416
	TOTAL EXPENDITURE	5,236,688	---	5,236,688	4,772,835	---	463,853

MINISTRY OF DEFENCE AND NATIONAL SECURITY

STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2018**Loss of Money**

There was no loss of money recorded for the year ended 31 July 2018.

Loss of Revenue

There was no loss of revenue recorded for the year ended 31 July 2018.

Loss of Assets (other than money)

There was no loss of fixed assets recorded for the year ended 31 July 2018.

The board of survey was conducted by the Ministry and the following items worth \$5,146 were recommended for write off:

Category	Amount (\$)
Office Equipment	946
Furniture and Fittings	4,200
Total	5,146

The Permanent Secretary of the Ministry of Economy approved the write off of the unserviceable assets reported in the board of survey report on 30th August 2018.

MINISTRY OF DEFENCE AND NATIONAL SECURITY
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**
NOTE 1: REPORTING ENTITY

The Ministry of Defence and National Security is responsible for Fiji's national security, including the defence of the country's sovereignty and territorial integrity. The Ministry carries out this responsibility through the implementation of Fiji's National Security Strategy and by conducting policy oversight of two of Fiji's Disciplined Forces, the Republic of Fiji Military Forces (RFMF), and Fiji Police Force (FPF).

NOTE 2: STATEMENT OF ACCOUNTING POLICIES
(a) Basis of Accounting

In accordance with Government accounting policies, the financial statements of the Ministry of Defence and National Security is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act 2004, the requirements of Section 71 (1) of the Finance Instruction 2010 and the Finance (Amendment) Instructions 2016. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies.

(b) Accounting for Value Added Tax (VAT)

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

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue and Customs Services (FRCS). Actual amount paid to FRCS during the year represent the difference between VAT output and VAT input.

(c) Comparative Figures

The financial year end for Government was changed from 31 December to 31 July in accordance with the Financial Management (Amendment) Act 2016.

The financial statements for the year ended 2017 and the financial statements for the year ended 2018 are both for a twelve months period.

In the 2016 - 2017 financial year, the financial statements were consolidated with the financial statements of the Ministry of Defence and National Security and Department of Immigration as stated in the Appropriation Promulgation or Annual Appropriation Act. The 2018 financial statements is only for the Ministry of Defence and National Security and does not consolidate with the Department of Immigration. For comparative purposes, the 2017 figures has been restated to reflect the expenditures for the Ministry of Defence and National Security only.

(d) Revenue Recognition

Revenue is recognised when the Ministry receives actual cash.

MINISTRY OF DEFENCE AND NATIONAL SECURITY
**NOTES TO THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2018**
NOTE 3: SIGNIFICANT VARIATIONS

The security industry licence fees revenue increased by \$9,361 or 56% in 2018 compared to 2017 due to the increase in the number of security companies applying for renewal of their licences.

NOTE 4: SIGNIFICANT SAVINGS

Significant Savings for the financial year ended 31 July 2018 are as follows:

Expenditure	Revised Budget (\$)	Actual Expenditure (\$)	Savings (\$)	Percentage Savings (%)
Capital Construction	756,611	352,178	404,433	53 %

The savings of \$404,433 under the Capital Construction allocation was due to the delay in project processing caused by shortage of materials from vendors and adverse weather conditions which affected the progress of capital works.

NOTE 5: DETAILS OF APPROPRIATION CHANGES

There was no redeployment of the Ministry's funds during the year. In 2017 - 2018, a total of 67 virements were processed as follows:

Virement #	From	To	Amount (\$)	Approval
DV0601	Seg 1	Seg 4	21,350.00	Permanent Secretary - DNS
DV0612	Seg 1	Seg 4	10,000.00	Permanent Secretary - DNS
DV0613	Seg 1	Seg 3	15,000.00	Permanent Secretary - DNS
DV0615	Seg 1	Seg 3	8,000.00	Permanent Secretary - DNS
DV0616	Seg 1	Seg 3	10,000.00	Permanent Secretary - DNS
DV0617	Seg 1	Seg 3	15,000.00	Permanent Secretary - DNS
DV0621	Seg 1	Seg 3	30,000.00	Permanent Secretary - DNS
DV0622	Seg 1	Seg 4	20,000.00	Permanent Secretary - DNS
DV0623	Seg 1	Seg 5	63,065.00	Permanent Secretary - DNS
DV0624	Seg 1	Seg 3	10,000.00	Permanent Secretary - DNS
DV0625	Seg 1	Seg 3	30,000.00	Permanent Secretary - DNS
DV0626	Seg 1	Seg 4	10,000.00	Permanent Secretary - DNS
DV0627	Seg 1	Seg 7	100,000.00	Permanent Secretary - DNS
DV0647	Seg 1	Seg 3	4,000.00	Permanent Secretary - DNS
DV0651	Seg 1	Seg 5	10,000.00	Permanent Secretary - DNS
V06001	Seg 1	Seg 1	9,583.00	Permanent Secretary - Economy
V06006	Seg 1	Seg 1	3,000.00	Permanent Secretary - Economy
	Seg 4		1,000.00	
	Seg 5		4,000.00	
	Seg 7		6,240.00	
V06003	Seg 1	Seg 2	52,794.00	Permanent Secretary - Economy

MINISTRY OF DEFENCE AND NATIONAL SECURITY

NOTES TO THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2018

NOTE 5: DETAILS OF APPROPRIATION CHANGES (continued...)

Virement #	From	To	Amount (\$)	Approval
V06004	Seg 1	Seg 2	18,080.00	Permanent Secretary - Economy
V06007	Seg 1	Seg 1	1,050.00	Permanent Secretary - Economy
V06009	Seg 1	Seg 2	22,470.00	Permanent Secretary - Economy
V06010	Seg 1	Seg 2	165.00	Permanent Secretary - Economy
V06005	Seg 2	Seg 2	2,000.00	Permanent Secretary - Economy
	Seg 3		9,842.00	
	Seg 4		7,000.00	
	Seg 5		7,000.00	
V06008	Seg 2	Seg 2	26,342.00	Permanent Secretary - Economy
DV0652	Seg 3	Seg 7	3,633.00	Permanent Secretary - DNS
DV0605	Seg 4	Seg 4	2,000.00	Permanent Secretary - DNS
DV0614	Seg 4	Seg 4	2,000.00	Permanent Secretary - DNS
DV0630	Seg 4	Seg 4	2,000.00	Permanent Secretary - DNS
DV0642	Seg 4	Seg 5	361.00	Permanent Secretary - DNS
DV0644	Seg 4	Seg 4	1,000.00	Permanent Secretary - DNS
DV0606	Seg 5	Seg 4	2,500.00	Permanent Secretary - DNS
DV0608	Seg 5	Seg 4	1,900.00	Permanent Secretary - DNS
DV0618	Seg 5	Seg 4	10,000.00	Permanent Secretary - DNS
DV0619	Seg 5	Seg 4	5,000.00	Permanent Secretary - DNS
DV0620	Seg 5	Seg 3	20,000.00	Permanent Secretary - DNS
DV0629	Seg 5	Seg 4	2,000.00	Permanent Secretary - DNS
DV0631	Seg 5	Seg 4	4,000.00	Permanent Secretary - DNS
DV0632	Seg 5	Seg 3	12,000.00	Permanent Secretary - DNS
DV0633	Seg 5	Seg 5	2,000.00	Permanent Secretary - DNS
DV0637	Seg 5	Seg 5	4,000.00	A/Permanent Secretary - DNS
DV0638	Seg 5	Seg 4	4,000.00	A/Permanent Secretary - DNS
DV0641	Seg 5	Seg 4	34,000.00	A/Permanent Secretary - DNS
DV0649	Seg 5	Seg 4	1,000.00	Permanent Secretary - DNS
DV0653	Seg 5	Seg 7	20,517.00	Permanent Secretary - DNS
DV0602	Seg 7	Seg 4	3,500.00	Permanent Secretary - DNS
DV0603	Seg 7	Seg 4	3,000.00	Permanent Secretary - DNS
DV0604	Seg 7	Seg 3	15,000.00	Permanent Secretary - DNS
DV0607	Seg 7	Seg 4	1,700.00	Permanent Secretary - DNS
DV0609	Seg 7	Seg 4	5,000.00	Permanent Secretary - DNS
DV0610	Seg 7	Seg 3	5,000.00	Permanent Secretary - DNS
DV0611	Seg 7	Seg 4	5,000.00	Permanent Secretary - DNS

MINISTRY OF DEFENCE AND NATIONAL SECURITY

NOTES TO THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2018

NOTE 5: DETAILS OF APPROPRIATION CHANGES (continued...)

Virement #	From	To	Amount (\$)	Approval
DV0628	Seg 7	Seg 7	100,000.00	Permanent Secretary - DNS
DV0634	Seg 7	Seg 3	30,000.00	Permanent Secretary - DNS
DV0635	Seg 7	Seg 7	30,000.00	Permanent Secretary - DNS
DV0636	Seg 7	Seg 4	15,000.00	A/Permanent Secretary - DNS
DV0639	Seg 7	Seg 3	20,000.00	A/Permanent Secretary - DNS
DV0640	Seg 7	Seg 3	15,000.00	A/Permanent Secretary - DNS
DV0643	Seg 7	Seg 4	4,400.00	Permanent Secretary - DNS
DV0645	Seg 7	Seg 4	9,000.00	Permanent Secretary - DNS
DV0646	Seg 7	Seg 3	3,000.00	Permanent Secretary - DNS
DV0648	Seg 7	Seg 3	1,236.00	Permanent Secretary - DNS
DV0650	Seg 7	Seg 5	10,000.00	Permanent Secretary - DNS
V06002	Seg 7	Seg 2	23,000.00	Permanent Secretary - Economy
	Seg 4		3,342.00	

ACRONYMS

Acronyms

ACP - Annual Corporate Plan

ASIS - Australian Secret Intelligence Services

BPR - Business Process Re-engineering

CSD - Corporate Services Division

DG - Director General

DDG - Deputy Director General

FPF - Fiji Police Force

HARD - Humanitarian Assistance and Disaster Response

HQ - Head Quarters

HOI - Head of Intelligence

HR - Human Resources

IA - Intelligence and Assessment

ITC - Information Technology Computing Services

IBMS - Integrated Boarder Management System

MOU - Memorandum of Understanding

MDNS - Ministry of Defence and National Security

MOF - Ministry of Finance

MCS - Ministry of Civil Service

M&E - Monitoring and Evaluation

NSDR - National Security Defence Review

NAD - National Assessment Division

NSDC - National Security Defence Council

NCC - National Coordination Centre

NMSS - National Maritime Security Strategy

OHS - Occupational Health and Safety

PS - Permanent Secretary

RFMF - Republic of Fiji Military Forces

SOP - Standard Operating Procedure

SFD - Security Forces Division

SAR - Search and Rescue

SPID - South Pacific Intelligence Dialogue

TOR - Terms of Reference

Notes

Notes

