

MINISTRY OF LOCAL GOVERNMENT

Annual Report

2018-2019



Table of Contents

| | |
|-------------------------------------------------------|----|
| Referral Letter..... | 2 |
| Permanent Secretary's Message..... | 3 |
| Vision..... | 4 |
| Mission | 4 |
| Our Values..... | 4 |
| In Summary | 5 |
| August 2018 – December 2018 Highlights | 6 |
| December 2018 – July 2019 Highlights | 7 |
| Capital Projects..... | 8 |
| Department of Local Government | 10 |
| Governance Reform..... | 11 |
| Achievements: Capital Projects | 12 |
| Achievements: Project Partnerships..... | 13 |
| Department of Town and Country Planning | 15 |
| Master Planning Project..... | 16 |
| Achievements: Subdivision..... | 17 |
| Achievements: Rezoning | 18 |
| Achievements: Building Approvals..... | 19 |
| Achievements: Forward Planning..... | 20 |
| Achievements: Information Systems | 20 |
| Achievements: Environmental Management Unit | 20 |
| Service Goals | 21 |
| Department of Corporate Services | 23 |
| HR and Administration | 24 |
| Achievements Against Expected Outputs | 25 |
| Finance Unit..... | 26 |
| Finance Unit: MOE Deliverables and Indicators..... | 27 |
| MLG Looking Ahead Priorities for 2019-2020..... | 28 |
| Enhance Governance for Municipal Councils | 28 |
| Increase Digitization Build Capacity | 28 |
| Facilitate Investment Business Friendly Policies..... | 29 |
| Plan for Sustainability Integrating Environment | 29 |
| Leverage Partnerships for Development..... | 29 |
| Audited Financial Statements | 30 |

REFERRAL LETTER

Honorable Premila Devi Kumar
Minister for Local Government
Fiji FA House
Gladstone Road
Suva

Dear Madam,

I have the pleasure of submitting the Ministry of Local Government's Annual Report 2018-2019.

It provides the activities of the Ministry and the highlights for the year.

The Annual Report has been prepared in accordance with the provisions of section 14 of the Public Service Act 1999 and the Finance Management Act 2004, the report has been prepared with the requirements for Annual Reports by the Fiji Government.

Yours Sincerely



Dimity Fifer
Permanent Secretary for Local Government

PERMANENT SECRETARY'S MESSAGE

It is a privilege to report on the Ministry's activities 2018-2019.



Local government provides essential services and amenities to improve the quality of life. The Ministry of Local Government (MLG) oversees local government; sets and implements policies and programs aligned with the National Development Plan, and facilitates the work of Fiji's 13 Municipal Councils who deliver services needed by their communities, attract investment, and provide facilities for vibrant community life. MLG also oversees the operations of the National Fire Authority. MLG has an energetic team who are committed to continuous improvement; determined to build on our strengths and drive important reforms, to enhance the standard of living in all communities.

At the start of the year, Local Government was part of the Ministry of Waterways and Local Government under Minister Hon. Praveen Bala. The month of November saw the election of the current Minister Hon. Premila D Kumar and the establishment of the Ministry of Local Government. This report thus includes the activities of the 'blended ministry' and those of its current iteration. Government policy is focused on making life better for all Fijians, and this Ministry has a crucial role to play in ensuring that national policies are localised and accessible to all. Our most important stakeholders are our neighbours and members of our communities and we value all of their input and ideas so that together we can ensure Fiji's towns and cities are highly liveable, clean, modernised, and sustainable. It is an honour to serve and I am grateful to all the Ministry's staff for their dedication and diligence.

A handwritten signature in cursive script, reading "Dimity Fifer".

Dimity Fifer
Permanent Secretary for Local Government

VISION

EXCELLENCE IN URBAN AND
TOWN/COUNTRY PLANNING MANAGEMENT
FOR A PROSPEROUS FIJ.

MISSION

WE PROMOTE HIGH SOCIO-ECONOMIC
GROWTH TOWARDS ALL URBAN
COMMUNITIES THROUGH PRACTISING GOOD
LOCAL GOVERNANCE.

OUR VALUES

INFORM OUR WORK AND APPROACH TO
EVERY CHALLENGE.
WE MAINSTREAM OUR VALUES IN OUR
INTERACTION WITH PARTNERS AND
STAKEHOLDERS.

Innovative leadership
Accountability
Transparency
Integrity
Honesty
Customer Focus
Productivity
Safety and Security



IN SUMMARY

The structure of the Ministry is designed to deliver across the two areas of Local Government and Town and Country Planning.

The core responsibilities of MLG is vital in administers Local Government which provides essential services and amenities and facilitate development at the local level.

During the year we carefully examined the leadership needs at the Municipal Councils and determined that teams of Special Administrators, carefully chosen for their high ethical standards and skills and experience in revenue management, cost control, customer service, and staff development, would be the best option moving forward.

This year also saw the continuation of MLG's commitment to better waste management services, developed with the financial assistance and partnership of Japan International Cooperation Agency (JICA).

Within the Department of Town and Country Planning, we improved our systems and processes to ensure improved and efficiency service delivery to customers and investors and are preparing the groundwork to streamline and digitise planning and permit processes. Our commitment is to do our part by ensuring our processes are investor-friendly and thus make it easier to do business in Fiji.

We work with international partners to learn from their experiences and tap into their technical expertise. We have established meaningful partnerships with likeminded and similar sized municipalities in China, Australia and New Zealand. And we will continue to deepen those ties as we modernise our town and cities while preserving our unique culture and environments.

Our cities, towns and rural areas can be improved and at the Ministry we are making changes to ensure sustainability and value for money is achieved at the Municipal Council level. We are ensuring that rates are to be used wisely to provide high-quality services and infrastructure.

This year, decisions were made by the government to appoint seven teams of Special Administrators to oversee good governance at the Municipal Council level and include Rural Authorities under Council service responsibility.

Our priority is to ensure all Fijians feel their lives are enhanced by our work as together we keep our communities clean, attract investment and provide high quality community services and infrastructure.



August 2018- December 2018

HIGHLIGHTS

- ❖ **Namaka Market**
First Phase Completion: \$4.79M
 Rainwater harvesting enabled with inclusion of tanks to conserve resources & cut costs.
 - ❖ **Tavakubu Satellite Market**
September 2018: \$60,000 = 10+ Stalls
 Enabling and sharing prosperity.
 - ❖ **Cuvu Market**
November 2019: \$120,000 72 Stalls
 Facilitates interaction between farmers and hoteliers contributing to economic growth.
 - ❖ **Nakasi Fire Station**
September 2018: Groundbreaking Ceremony
 Part of the \$1.2million nationwide investment in fire stations.
 - ❖ **Naidovi, Vuvu**
99 Year Lease by end 2018
 Providing long term security for informal settlement residents.
 - ❖ **Master Plan MOU**
Singapore Cooperation Enterprise & Fijian Government
 Ensuring growth is accessible, strategic and well planned.
 - ❖ **Vunato & Kaleli Settlements, Lautoka**
City-Wide Sanitation: \$74,000 = 19 Restrooms & Bathing Facilities
 Improving living standards for residents of these settlements.
 - ❖ **Home Buyer & Fire Payments**
 Payments were managed until Ministries separated in October 2018.
-

December 2018-July 2019

HIGHLIGHTS

❖ **Ministry Restructure** October 2018

The Ministry split into three: Ministry of Local Government; Ministry of Housing and Community Development and Ministry of Waterways and Environment and separation of corporate services was undertaken.

❖ **Lautoka Pool** First Phase: \$12M = 3 Pools

Creating more liveable Municipalities by providing international standard assets.

❖ **New Markets, Increased Rate Collection, Better Parks**

New markets and mini-markets enable more farmers and vendors to earn and support their families. Parks have been redeveloped and new amenities planned. The introduction of a time limited interest rate waiver from February to end August 2019 improved rates collection and council's revenue.

❖ **Special Administrator Teams** Appointments will begin from August 2019

Driving good governance and ethical leadership; cost control and revenue management; increased customer service and staff capacity, seven teams of Special Administrators will govern Suva/Lami; Nausori/Nasinu; Nadi/Sigatoka; Lautoka/Ba; Rakiraki/Tavua; Labasa/Savusavu and Levuka.

❖ **Ease of Doing Business** Investor and Business Friendly Processes

Whole of Department Business Process review exercise commenced to improve internal Standard Operating Procedures (SOP) and promote ease of doing business. The SOP now ensures that Major Building Developments above \$1 million dollars is being processed within 7 working days.

❖ **Singapore Cooperation Enterprise** Accessible, Strategic Growth

A collaboration with the Singapore Cooperation Enterprise (SCE) to create a long term strategic land use plan to ensure that urban growth is well planned, and our cities and towns enhance the quality of life. The plan is developed over six phases and addresses land use, transport, nature conservation, and urban settlements.



CAPITAL PROJECTS

❖ MARKETS

Construction continued at the Laqere Market, Namaka Market and Improvement of Ventilation and Lighting of Lautoka Market.

❖ PARKS & SPORTS, AND COMMUNITY FACILITIES

Construction continued on Govind Park stadium and Lautoka Botanical Garden Swimming Pool

❖ SUVA CIVIC CENTRE Supported by Guangdong Province Partnership

Completed and handed over from Guangdong Province, China, to Suva City Council.



Lautoka main Swimming pool under construction at Botanical Garden. Three pools altogether were constructed, the main pool, warm up pool and children's pool.



Govind Park project redevelopment - pavilion under construction. The pavilions at the Govind Park ground was completely damaged in 2016 by cyclone Winston.



Newly constructed Rakiraki Fire Station.



Suva Civic Center refurbishment in partnership with the Guangdong province from China



DEPARTMENT OF

Local Government



The Department of Local Government monitors legislative compliance of Municipal Councils and oversees the delivery of effective and efficient services and quality infrastructure for the Fijian people at the local government level. The Ministry's long-term priority is to create financially and environmentally sustainable cities and towns.

In late 2018, MLG facilitated the amalgamation of Rural Local Authorities with Municipal Councils and provided support for Councils to adapt to the change. A symposium was held and financial support was provided for building surveyors and solid waste removal for the rural areas as well as grants such as the Satellite Centre grant. MLG also started work on the extended town boundaries for Sigatoka, Lautoka and Nausori and visited Keiyasi, Nabouwalu and Seaqaqa to inspect boundary extension programs.

The Government of Japan has supported Fiji with solid waste management since the 1990s. This assistance has made it possible for Municipal Councils to improve their waste collection services and reduce the amount of waste destined for landfills, contributing to cleaner and healthier towns and cities. Japan has donated resources, sent volunteers, and assisted with strategic planning in this area. This comprehensive three-pronged approach ensures results; while resources such as garbage trucks are greatly appreciated, Fiji's towns and cities also need and have benefitted from Japan's technical expertise and advice on planning for effective long-term waste management.

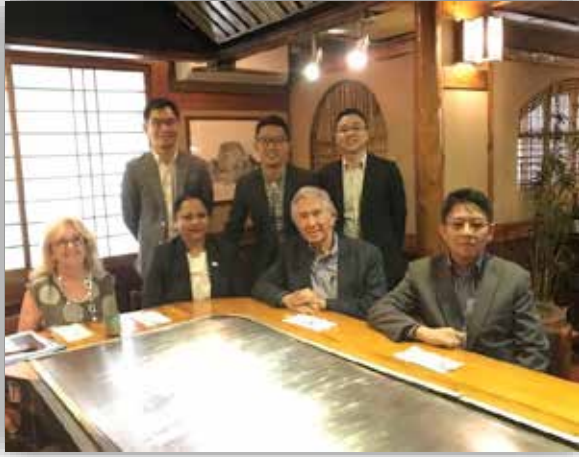
For the period 2017 to 2019, Japan International Cooperation Agency (JICA) dispatched 11 volunteers to Ba, Labasa, Lami, Nadi, Nasinu, Nausori, Rakiraki and Suva. Most of the enthusiastic volunteers assisted the Councils to promote the 3 R's, especially the expansion of the Clean School Program (an environmental education program) and the promotion of home and market composting. Environmental education for children has proven to have lasting impacts. The Ministry and JICA agreed in July 2018 to focus on strengthening the planning capacity of the 13 Municipal Councils in support of evidence-based policy making. The J-PRISM2 Project enabled the development of Solid Waste Management Master Plans for each Council. The Plans set out processes for promoting the 3 R's of waste reduction, re-use, and recycling, reducing the amount of marine plastic, and managing the expanded service area of Municipal Councils (post-amalgamation with Rural Local Authorities in August 2018). The Ministry, J-PRISM2 experts, and Municipal Councils collaborated on basic surveys and drafts, and will finalise the Master Plan in 2020.

Through its Grass-roots Human Security Projects scheme (GGP), Japan has also donated garbage trucks to several Municipal Councils. On 12 December 2018 Japan delivered a nine tonne compactor truck to Labasa Town Council. That donation assisted Labasa to improve the timeliness of its waste collection, has reduced costs associated with hiring trucks, and has made the working conditions of garbage collectors more hygienic. The Ministry will continue to work closely with the Government of Japan, through its Embassy in Suva, to improve solid waste management across the country in cooperation with Councils.

In August 2018, the Department through the Local Government Committee (Committee) continue to hold discussions and site visitation to the Central Councils, Western Councils and Levuka Town Council in relation to the extension of town boundary. Boundary extension flowchart and amalgamation of municipal councils & rural local authorities were part of presentation to these Municipal Councils on the process for town boundary extension. The committee visited Sigatoka and Tavua Town Council to discuss issues such as the relocation of the bus stand and the market.



Governance Reform



The review and reform of Municipal Councils was the core of the Department of Local Government's work for the fiscal year 2018-2019.

One of the major achievements of the year was the review and reform program for Municipal Councils and the end of the fiscal year, the MLG was ready to appoint Special Administrators to lead the transformation of the Municipal Councils.

The MLG secured the endorsement of the Terms of Reference for the review of the Local Government Act-Cap 125 from Cabinet and a preliminary institutional review exercise of all Municipal Councils was carried out by the

Commonwealth Local Government Forum. The review recommended reforms and involved considerable research and analysis. The program of reforms recommended illustrated the breadth of the support provided by MLG to the Municipal Councils.

MLG developed draft HR and Finance Manuals to be further developed by a specialist consultant. MLG is grateful to its international partners and supports Municipal Councils making use of partnership mechanisms to fund and implement major projects. The first six months of 2019 involved the critical examination of governance issues at the 13 Municipal Councils. The foundations for the appointment of Special Administrators were laid so that they could be appointed at the beginning of the 2019-2020 financial year. Teams of between two and five individuals with high ethical standards and proven accomplishments within their professions would be appointed as Special Administrators overseeing each Municipal Council. The Special Administrators are responsible for embedding good governance, improving revenue management, controlling costs, improving customer service, and developing staff capacity.



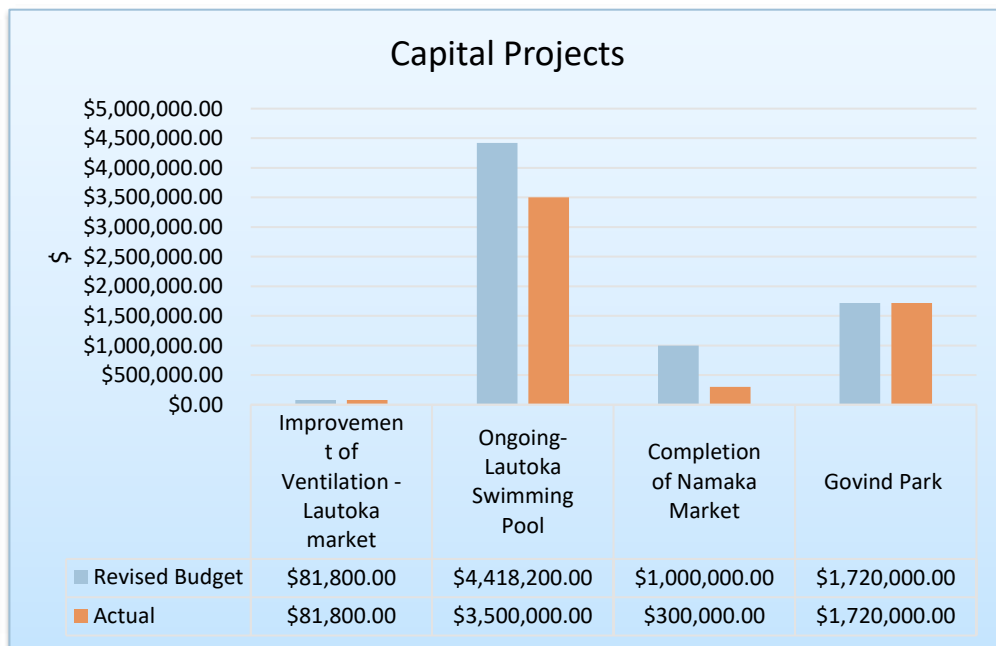
ACHIEVEMENTS: Capital Projects

The Ministry undertook major capital projects during the fiscal year.

MLG is increasingly decentralising projects such as swimming pools, new markets and bus stations by building project management capacity within the Councils to allow them to better serve the people living in their Municipalities. There is no doubt that capital projects benefit the local economy and provide economic opportunities. MLG is also supportive of projects being developed between Councils and international partners e.g. sports facilities.

The following Capital Projects were implemented by the Ministry of Local Government during this fiscal year:

- i. Improvement of Ventilation and Lighting of Lautoka Market - \$81,800.
- ii. Ongoing construction of Laqere Municipal Market are near completion - \$500,000 (partially).
- iii. Ongoing construction of Lautoka Botanical Garden Swimming Pool - \$3.5m.
- iv. Completion of Namaka Market - \$700,000 (partially).
- v. Redevelopment of Govind Park, Ba - \$1,720,000.00.



ACHIEVEMENTS: Project Partnerships

- This fiscal year Nasinu Town Council and Guangdong Province, China signed a Memorandum of Understanding to build a Sports facility in Valelevu. The team from Guangdong visited the Valelevu ground and had a preliminary discussion with Nasinu Town Council and other relevant stakeholder.
- Through partnership between Suva City Council and the Guangdong Province the Suva Civic Centre Project was completed and handed over to the Council.
- United Nations Women continue to support Municipal markets redevelopment, through upgrade of market structures, construction of Women's accommodation and training programs for vendors.



DEPARTMENT OF

Town and Country Planning





The Department of Town and Country Planning (DTCP) is responsible for the overall administration, planning and regulating of land use through the Town Planning Act Cap. 139 and the Subdivision of Land Act Cap. 140. Its focus is on the strategic planning of urban and rural areas, formulation of related regulations, and compliance with development laws. The DTCP also offers physical planning and land development advice to the whole of Government, as well as to the private sector.

DTCP promotes town planning in Fiji with the aim of supporting equitable, well-managed, and well-coordinated growth that will improve Fijians' quality of life. The DTCP organises its work into five sections, namely Forward Planning, Subdivision of Land, Land and Development, Information Systems, and Environment Management and operates from three offices: Suva, Lautoka and Labasa.

TCP drafted Development Control Standards and Guidelines for the Matavolivoli Housing Authority subdivision in Nadi. This related to the setbacks at Stage 2 of the development, allowing homemakers to increase the buildable area for their homes. DTCP promoted good governance in its work by providing sound planning advice to stakeholders before they lodge their applications. This benefits investors and developers so they can make informed decisions about allowable developments. Stakeholder workshops were also held. DTCP carried out community awareness meetings and consultations, particularly in iTaukei communities. As a result, the community and landowners were better informed about any proposals and have the opportunity to share their opinions.

DTCP budgeted \$5.6million for Nabouwalu New Town Development, Seaqaqa New Town documentation and for environmentally sustainable subdivision scheme plans. A landfill site was identified, crop compensation exercise carried out, relocation consent obtained, zone completed and community capacity building delivered through UNDP.

MASTER PLANNING PROJECT

TCP facilitated the Singapore Cooperation Enterprise's contract for the delivery of the Strategic Master Plan for Viti Levu and the Concept Master Plan for Greater Suva, Nadi and Lautoka.

| Milestone /Stage | Program | Percentage of Contract Value | Amount (In USD) |
|------------------|---------------------------------------------------|------------------------------|--------------------|
| 0 | Upon signing of Agreement | 20 | \$314,813 |
| 1 | Data Analysis & Master Plan Brief | 15 | \$236,110 |
| | Site Visit & Workshop 1 (Suva) | | |
| 2 | Strategic Master Plan Study | 15 | \$236,110 |
| | Presentation & Workshop (Suva) + Feedback | | |
| 3 | Refinement of strategic spatial master plan study | 15 | \$236,110 |
| | 4 days Interim Workshop (Singapore) | | |
| | Presentation & Workshop (Suva) + Feedback | | |
| 4 | Final Strategic Spatial Master Plan Study | 20 | \$314,813 |
| | Concept Master Plan | | |
| | Presentation & Workshop (Suva) + Feedback | | |
| 5 | Refinement of Concept Master Plan | 20 | \$314,813 |
| | 4 Days Interim Workshop (Singapore) | | |
| | Presentation & Workshop (Suva) + Feedback | | |
| 6 | Final Concept Master Plan | 10 | \$157,407 |
| | Final Presentation (Suva) + Feedback | | |
| Total | | 100 | \$1,574,066 |

Table 3: Stages 1 & 2 completed in 2018

Source: DTCP (2018)



ACHIEVEMENTS: Subdivision

The Subdivision section is responsible for processing subdivision of land applications in accordance with Subdivision of Land Act Cap 140; approval of engineering plans; clearance of survey plans and provides advice to land developers and consultants on land subdivision matters.

ACHIEVEMENTS: Rezoning

| SUMMARY OF REZONING APPLICATIONS CONSIDERED IN 2018 | | | | | |
|-----------------------------------------------------|----------------|--------------------------|------------|-----------|-----------|
| Division | Total Received | Total Fees Received (\$) | Considered | | |
| | | | Approve | Refuse | Deferred |
| Central | 163 | \$19,278.28 | 77 | 11 | 12 |
| Western | 197 | \$24,654.32 | 97 | 3 | 13 |
| Northern | 38 | \$4,938.58 | 8 | 0 | 2 |
| TOTAL | 398 | \$48,871.18 | 182 | 14 | 27 |

Table 1: Summary of Rezoning Applications 2018

Source: DTCP (2018)

In 2018, the Forward Planning Section processed and approved 398 rezoning applications; 49% were for the western Division; 41% for the Central and 10% for the Northern Division (Table One above).

The Department noted that there was an increase in the number of rezoning applications received as compared to 2017. The western division saw an increase of 38%, while the applications for Central Division increased by 33%. The northern division recorded an increase of 1%.

Table Two below illustrates the major rezoning requests that were considered for 2018. The Forward Planning Section received ninety six (96) major rezoning proposals in 2018, of which 56% were Residential; 16% Commercial; 13% Special Use (Hotel) and the remainder Civic, Community and Other Use.

| Rezoning/Division | Central & Eastern | Western | Northern | Total |
|-------------------|-------------------|-----------|-----------|-----------|
| Residential | 0 | 48 | 6 | 54 |
| Commercial | 2 | 12 | 1 | 15 |
| Industrial | 0 | 8 | 1 | 9 |
| Civic-Community | 0 | 2 | 0 | 2 |
| Special Use-Hotel | 0 | 10 | 2 | 12 |
| Others | 0 | 4 | 0 | 4 |
| Total | 2 | 84 | 10 | 96 |

Table 2: Highlights the major rezoning considered by division in 2018

Source: DTCP (2018)



ACHIEVEMENTS: Building Approvals

In 2018, the Development Control section received a total of 1,749 development control building applications. This comprised 724 from Central division; 769 from western division and 256 from Northern Division. A total of 1,546 of those applications were considered: 1,245 were approved; 250 deferred and 51 refused. This is a lower number of applications than in 2017 which saw 2,051 applications received.

In excess of \$369 million worth of major developments were approved in 2018. The rounded dollar value by Division is:

Central: \$88million

Western: \$220million

Northern: \$62million



ACHIEVEMENTS: Forward Planning

The Forward Planning Section prepares and revises Town Planning Schemes; prepares local advisory plans on potential growth areas; determines rezoning proposals and provides planning advice to a wide range of customers, including government, the private sector and the public.

Nationwide consultations with the public, including many iTaukei communities, on the review of the town planning law were carried out in 2018. In 2016, during the initial phases of the consultation, it was noted that the iTaukei communities who are the custodians of approximately 90% of the land in Fiji, were not adequately consulted. Hence this exercise was commissioned and ensured valuable feedback was incorporated into the draft legislation. At the end of this reporting period, the draft legislation was being reviewed by the Solicitor General.

ACHIEVEMENTS: Information Systems

DTCP's Geographical Information System (GIS) and IT Unit produces plans, maps, records and other relevant information in a digitised format. The Unit has contributed significantly to the establishment of town planning Units in Municipal Councils and facilitates the sharing of information with critical government infrastructure agencies e.g. FRA and WAF. It also has provided key information to the planners from the Singapore SCE team.

ACHIEVEMENTS: Environmental Management Unit

This Unit is responsible for the provision of technical advice on foreshore applications as forwarded by the Director of Lands and makes recommendations to the Director of Environment on any EIA as part of its consultation processes.

Service Goals

Turnaround times were reviewed through a process mapping exercise and service goals were set. Improvements are being achieved through the use of ICT systems; streamlined processes; increased collaboration across relevant Government Agencies; better trained staff and increased accountability. An improved registry system allowed the tracking of applications.

20

WORKING DAYS

BUILDING APPLICATIONS

45

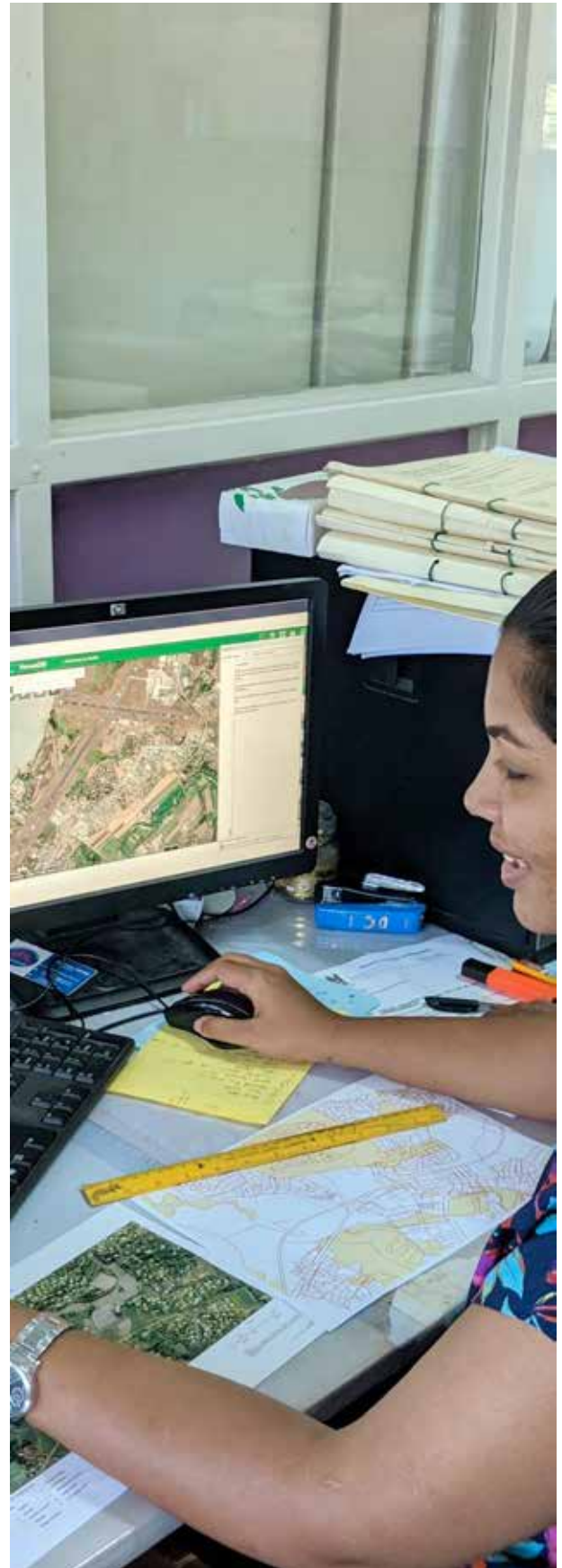
WORKING DAYS

REZONING APPLICATIONS

30

WORKING DAYS

SUBDIVISION APPLICATIONS

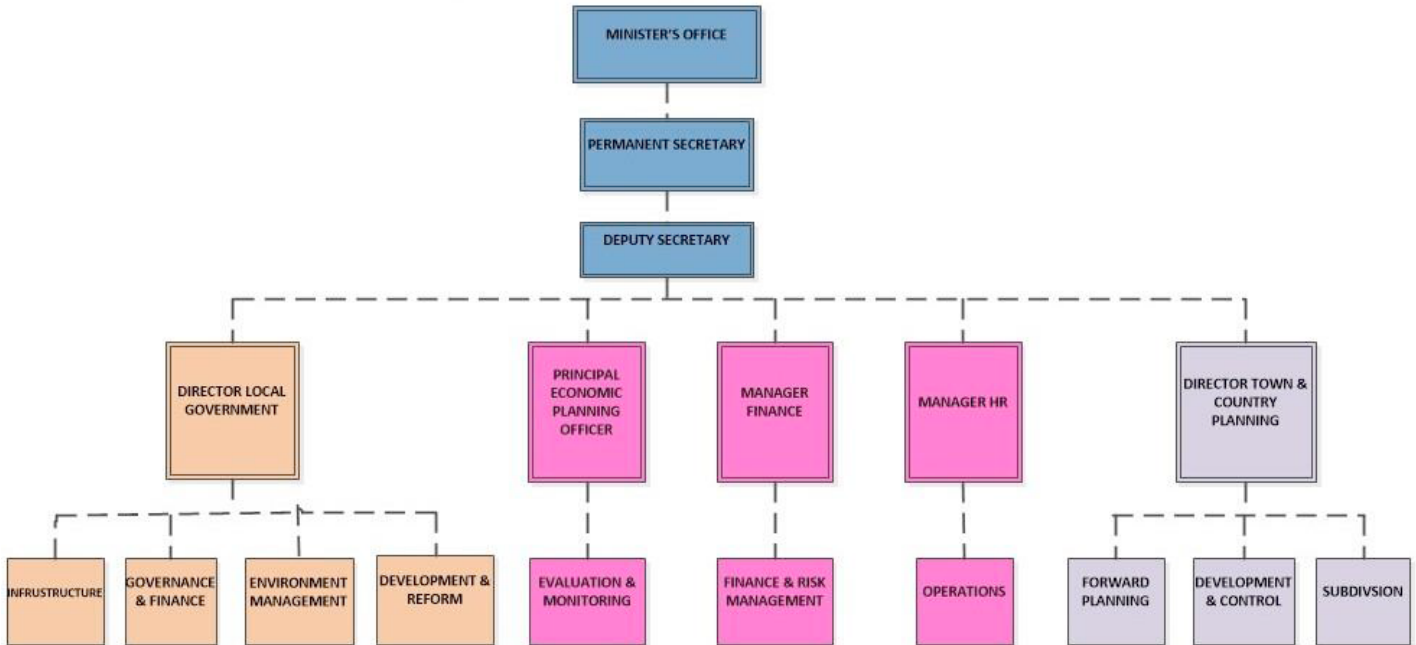




DEPARTMENT OF

Corporate Services

MINISTRY OF LOCAL GOVERNMENT 2018/2019



The Corporate Services Division (CSD) is responsible for the implementation of policy decisions for the overall management of the Ministry's budgeting, planning, financial, accounting control and human resources. The Division consists of two units: the Accounts Section and Human Resources and Administration Section.

Corporate Services delivers policies and practice in compliance with the Ministry of Civil Service and the Ministry of Economy. It also ensures compliance with General Order 2010; Public service code of Conduct; Financial Management Act; Agency Finance Manual, Financial Management Instructions and Government Wage Earner Conditions.

CSD adheres to financial regulation through the provision of required Financial Statements to Ministry of Economy; adhering to Finance Circulars and attending to audit queries.

The Human Resources and Administration section focuses on staff welfare which includes enhancing and developing staff skill; health staff/ office relationships and the transparent and accountable sharing of information. The focus is on delivering long term value to all staff. Challenges include the need to invest more in staff training and development for lower level employees; adapting to new technology through skills training and access to the latest technology; retaining senior qualified staff; delays in filling vacant positions and long timelines for recruitment and capacity gaps due to the number of vacant positions.



HR and Administration

Four priorities guide the work of the Ministry as CSD supports our people and culture.

1. Achieving excellent organisational performance and civil service delivery through effective leadership.
2. Maintaining a high level of customer service.
3. Prudent and transparent financial compliance and management.
4. Capacity building to strengthen institutional performance and develop a competent and skilled workforce.

The Training Unit in consultation with the Ministry of Civil Service identified local and international courses to address capacity gaps. Staff were also continuously trained on OMRS guidelines. Twelve officers participated in local training programs facilitated by the Civil Service. Seven attended overseas programs either partially or funded and three staff are on overseas studies.

Following the change from managing three Ministries, the separation and demarcation of Corporate and Accounts Information to the Ministry of Waterways and Environment was put in place in late 2018 as well as the separation and demarcation of Corporate Information to the Ministry of Housing. During this fiscal year, 48 vacant posts were advertised; 13 new contracts put in place; four renewals of contract; one project appointment; 15 new Acting Appointments and two extensions of Acting Appointments. During this fiscal year, nine vehicles were administered; annual performance plans were successfully completed; the Wellness Committee encouraged staff participation in programs offered and the Ministry worked with the Ministry of Economy on the renewal of the office lease agreement for the Fiji Football Building.

ACHIEVEMENTS Against expected outputs

Achieving excellent organisational performance and civil service delivery through effective leadership:

- Consultation with all officials from other HR agencies and CSRMU: Ministry management and staff were notified of policy advice and amendments.
 - Competent and vibrant workforce.
 - Recruitment and selection process was aligned to OMRS Guidelines and Recruitment and Selection Policies.
 - Maintaining a high level of customer service.
 - Prudent and transparent financial compliance and management.
 - Capacity building to strengthen institutional performance and develop a competent and skilled workforce.
-

Finance Unit

The role of the Finance Unit is to provide financial support services to other departments in compliance with Financial Regulations and to monitor the efficient delivery of all goods and services on time and within budgetary provisions.

The Unit objectives include:

- Proper management of budget allocation to ensure value for money in delivering public services
- Effective internal controls within purchasing and payments system to ensure no wastage of funds; and over-expenditure, mismanagement, misuse of funds or corruption does not occur.
- Internal control measures in place and maintained.
- Identification of areas of improvement to improve all systems and ensure compliance with Finance Regulations
- Effective utilisation of Financial Management Information Systems, (FMIS)

The Table provides an overview of the Ministry's total Revised Budget and its Year to Date Expenditure (YTD) as at the end of the 2018-2019 financial year.

| Department | 2018-2019 Revised Budget (FJD\$) | 2018-2019 Actual Expenditure (FJD\$) | 2018-2019 Balance (FJD\$) | 2018-2019 % utilization |
|-----------------------------|-----------------------------------------|---------------------------------------------|----------------------------------|--------------------------------|
| Corporate Services Division | 1,606,402 | 1,122,181 | 484,221 | 70% |
| Local Government | 21,777,428 | 10,074,026 | 11,675,402 | 46% |
| Town and Country Planning | 6,770,223 | 2,332,135 | 4,438,088 | 34% |
| | 30,154,053 | 13,528,342 | 16,597,711 | 45% |

Finance Unit: MOE Deliverables and Indicators

Table 5 Ministry of Economy (MoE) Deliverables and Indicators

| MOE Deliverables | Strategies | Key Performance Indicators (KPI) | Timelines |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------|
| Planning & Management of Budget Compliance | Budget Request Formulation | Budget Request Submission | 3rd Quarter |
| Requests to Incur Expenditures (RIE) | Timely/ Efficient Management of RIE | As and when before closing of accounts in Finance Circular | |
| Control of expenditure of public money | Budget Utilization Report | Bi - Annually | |
| Financial Performance Compliance | <input type="checkbox"/> Bank Lodgment <input type="checkbox"/> Clearance <input type="checkbox"/> TMA <input type="checkbox"/> Trust <input type="checkbox"/> RFA <input type="checkbox"/> Salaries <input type="checkbox"/> Wages <input type="checkbox"/> IDC <input type="checkbox"/> CFA <input type="checkbox"/> SLG 84 | Monthly reconciliation | 15th of every month |
| Agency Revenue Arrears | Collection of Arrears of revenue | Quarterly Revenue Returns | Within one month after the end of each quarter |
| Asset Management | Annual Stock take/Board of Survey | Physical Stock take Against Inventory | 31 January of the following year |
| Board of Survey summary reports | | Bi - Annual summary report | |
| Vehicle Returns | Quarterly Vehicle Returns | 1st week after every quarter | |
| Fixed Asset Register | Quarterly Reconciliation Submission of Fixed Asset Register | Within one month after the end of each quarter | |
| Internal Audit Compliances | Implementation of Audit Report Recommendations | Number of agreed audit recommendations implemented | Bi - Annual Progress Report |
| Procurement Compliance | Bi- Annual Reports to MOF | Reports Submitted on Procurement in line with Procurement Regulation 2010 | 2nd week after half yearly |

MLG Looking Ahead

Priorities for 2019-2020

Enhance Governance FOR MUNICIPAL COUNCILS

With the new teams of Special Administrators to be appointed in August 2019, the governance structures and processes at Municipal Councils will be reviewed to bring them up to best practice. The Special Administrators are tasked with driving strategic planning, to move toward financial sustainability and to increase engagement with ratepayers. In Fiji's 50th year, Councils will be expected to deliver more community spaces, such as parks and open space; and events, including festivals and exhibitions that will ensure the beautification of our Cities and Towns and increase civic pride.

Increase Digitisation BUILD CAPACITY

MLG will continue working to digitise its own operations, using smart partnerships to achieve this where internal capacity is lacking. More information and services will be available online and some of their staff's more repetitive tasks will be automated, freeing them up to do more research and policy work and provide better customer service.



Looking Ahead

Priorities for 2019-2020

Facilitate Investment

BUSINESS FRIENDLY POLICIES

MLG will develop business friendly policies and support investor awareness programs to attract new business to our Cities and town; create more jobs and spur economic growth that will improve the standard of living. Fiji's rating in the World Bank's Ease of Doing Business index will be improved.

Plan for Sustainability

INTEGRATING ENVIRONMENT

MLG will communicate to interested investors that the preservation and conservation of Fiji's natural resources and environment will not be compromised; business permits will be vigorously assessed for their environmental impact. Investors and businesses will be encouraged to incorporate 'green' initiatives; reduction of fossil fuel usage and carbon-offsetting.

Leverage Partnerships

FOR DEVELOPMENT

MLG will continue to deepen its partnerships with Municipalities in China, Japan, Australia and New Zealand which are valuable sources of advice, best practice and technical assistance and funding. MLG will also work with JICA to further develop waste management capacity and explore other collaborative efforts when aligned to MLG priorities.

MLG will encourage Municipal Councils to develop international twinning partnerships as well as with other multi sector partners.



OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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P. O. Box 2214, Government Buildings
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Website: <http://www.oag.gov.fj>



File: 625

2 September 2021

The Honourable Premila Kumar
Minister for Local Government
FFA House
4 Gladstone Road
SUVA

Dear Honourable Kumar

MINISTRY OF LOCAL GOVERNMENT**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019**

The audited financial statements for the Ministry of Local Government for the year ended 31 July 2019 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. Shaheen Ali, The Acting Permanent Secretary for Local Government.

Encl.

MINISTRY OF LOCAL GOVERNMENT

**AGENCY FINANCIAL STATEMENT
FINANCIAL YEAR ENDED
31 JULY 2019**



MINISTRY OF LOCAL GOVERNMENT
AGENCY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

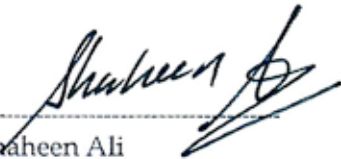
TABLE OF CONTENTS

| | |
|------------------------------------------------------------|------|
| MANAGEMENT CERTIFICATE..... | 3 |
| DRAFT INDEPENDENT AUDITOR'S REPORT..... | 4-5 |
| STATEMENT OF REVENUE AND EXPENDITURE..... | 6 |
| APPROPRIATION STATEMENT..... | 7 |
| STATEMENT OF LOSSES..... | 8 |
| NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS..... | 9-14 |

MINISTRY OF LOCAL GOVERNMENT
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2019

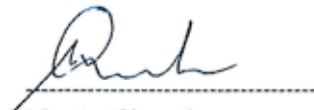
We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Local Government for the period ended 31 July 2019; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.



Shaheen Ali
Acting Permanent Secretary

Date: ...31/8/2021



Navin Chandra
Manager Finance

Date:31/8/2021

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Local Government

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Ministry of Local Government ("the Ministry"), which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, for the financial year ended 31 July 2019, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Ministry are prepared, in all material respects, in accordance with the Financial Management Act, Finance Instructions 2010 and the 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 further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Ministry in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Necessary internal controls for payments, receipting and banking of receipts were found to be weak. In addition, timely reconciliations were not performed for Drawings Account, SLG 84 Account, Operating Trust Fund, Advances and Salaries Account during the year. These are critical areas of the Ministry's operation and if not addressed promptly may result in financial losses or financial irregularities in future.

My opinion is not modified in respect to this matter.

Responsibilities of the management and those charged with governance for financial statements

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

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

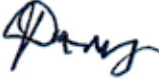
Auditor's Responsibilities for the Audit of the Financial Statements

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 or 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 skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of Ministry.

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


Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
02 September 2021

MINISTRY OF LOCAL GOVERNMENT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019

| | Notes | 12 months 2019 (\$) | 12 months 2018 (\$) |
|------------------------------------|-------|---------------------------|---------------------------|
| RECEIPTS | | | |
| State Revenue | | | |
| Town and Country Planning Fees | 3 (a) | 295,953 | 472,513 |
| Commission | 3 (b) | 4,310 | 4,732 |
| Total State Revenue | | <u>300,263</u> | <u>477,245</u> |
| Agency Revenue | | | |
| Miscellaneous | 3 (c) | 1,306 | 27,443 |
| TOTAL REVENUE | | <u>301,569</u> | <u>504,688</u> |
| EXPENDITURE | | | |
| Operating Expenditure | | | |
| Established Staff | 3 (d) | 2,114,403 | 2,209,163 |
| Unestablished Wage Earners | 3 (e) | 198,196 | 308,251 |
| Travel & Communication | 3 (f) | 248,241 | 292,160 |
| Maintenance & Operations | 3 (g) | 302,230 | 353,758 |
| Purchase of Goods & Services | 3 (h) | 171,523 | 113,214 |
| Operating Grants and Transfers | 3 (i) | 2,887,792 | 2,360,838 |
| Special Expenditure | 3 (j) | 361,636 | 888,098 |
| Total Operating Expenditure | | <u>6,284,021</u> | <u>6,525,482</u> |
| Capital Expenditure | | | |
| Capital Construction | 3 (k) | --- | --- |
| Capital Purchases | 3 (l) | --- | 93,092 |
| Capital Grants and Transfers | 3 (m) | 7,211,127 | 15,602,640 |
| Total Capital Expenditure | | <u>7,211,127</u> | <u>15,695,732</u> |
| Value Added Tax | 3 (n) | 62,671 | 98,840 |
| TOTAL EXPENDITURE | | <u>13,557,819</u> | <u>22,320,054</u> |

MINISTRY OF LOCAL GOVERNMENT
 APPROPRIATION STATEMENT
 FOR THE YEAR ENDED 31 JULY 2019

| SEG | Item | Budget Estimate | Appropriation Changes (Note 4) | Revised Estimate | Actual Expenditure | Carry Over | Lapsed Appropriation |
|------------------------------|----------------------------------|-------------------|--------------------------------|-------------------|--------------------|------------|----------------------|
| | | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| | | | | (a) | (b) | | (a-b) |
| Operating Expenditure | | | | | | | |
| 1 | Established Staff | 2,927,595 | (14,800) | 2,912,795 | 2,114,403 | --- | 798,392 |
| 2 | Unestablished Wage Earners | 190,958 | 14,800 | 205,758 | 198,196 | --- | 7,562 |
| 3 | Travel & Communication | 228,700 | 29,690 | 258,390 | 248,241 | --- | 10,149 |
| 4 | Maintenance & Operations | 287,700 | 68,940 | 356,640 | 302,230 | --- | 54,410 |
| 5 | Purchase of Goods & Services | 164,045 | 8,450 | 172,495 | 171,523 | --- | 972 |
| 6 | Operating Grants & Transfers | 4,529,455 | (33,380) | 4,496,075 | 2,887,792 | --- | 1,608,283 |
| 7 | Special Expenditure | 859,100 | (73,700) | 785,400 | 361,636 | --- | 423,764 |
| | Total Operating Costs | 9,187,553 | --- | 9,187,553 | 6,284,021 | --- | 2,903,532 |
| Capital Expenditure | | | | | | | |
| 8 | Capital Construction | --- | --- | --- | --- | --- | --- |
| 9 | Capital Purchases | --- | --- | --- | --- | --- | --- |
| 10 | Capital Grants & Transfers | 20,800,000 | --- | 20,800,000 | 7,211,127 | --- | 13,588,873 |
| | Total Capital Expenditure | 20,800,000 | --- | 20,800,000 | 7,211,127 | --- | 13,588,873 |
| 13 | Value Added Tax | 138,500 | --- | 138,500 | 62,671 | --- | 75,829 |
| | TOTAL EXPENDITURE | 30,126,053 | --- | 30,126,053 | 13,557,819 | --- | 16,568,234 |

MINISTRY OF LOCAL GOVERNMENT
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2019

Loss of Money

There was no loss of money recorded for the financial period ended 31 July 2019.

Loss of Revenue

There was no loss of revenue recorded for the financial period ended 31 July 2019.

Loss (other than money)

There was no loss of fixed asset recorded for the financial year ended 31 July 2019. However, following the 2018-2019 Board of Survey, items worth \$153,803 were written off as approved by the Permanent Secretary for Economy.

| Asset | Amount (\$) |
|-----------------------------|-------------|
| Office Equipment & Supplies | \$153,803 |

**MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

NOTE 1: REPORTING ENTITY

The Ministry of Local Government oversees the Department of Local Government and Department of Town and Country Planning. The Ministry is responsible for formulating and implementing local government and urban planning policies.

The primary responsibility of the Department of Local Government is to improve local governance through the effective implementation of the Local Government Act 2005 [Cap 125]. It is also responsible for the provision of policy advice and support service to the National Fire Authority to ensure effective delivery of its core services.

The Department of Town and Country Planning is responsible for the overall administration, planning and regulating the land use in Fiji to ensure sustainable development and coordinated growth. Its key functions are strategic planning of urban and rural areas and regulation and compliance with development laws. It also offers physical planning and land development advice to government and promotes town planning in Fiji.

The Ministry also partners with other authorities such as National Fire Authority, Municipal Councils nationwide, as well as with international donor agencies that conduct environment waste management programs.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting / Presentation

In accordance with Government accounting policies, the financial statements of the Ministry of Local Government 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 and the requirements of Section 71(1) of the Finance Instruction 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2019

NOTE 2: STATEMENT OF ACCOUNTING POLICIES (Continued...)

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from the 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 FRCS. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Comparative Figures

Where necessary, amounts relating to prior years Head 37, program 1 and 2 have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(d) Revenue Recognition

Revenue is recognised when actual cash is received by the Ministry of Local Government.

NOTE 3: SIGNIFICANT VARIATIONS

- (a) The Town and Country Planning Fees collected amounts to \$295,086 as at July 2019 for Department of Town & Country Planning Unit. There has been decrease in said fees collected by \$177,427 i.e. (38%) in relation to scheme plan fees, re-zoning fees, sub division fees and plan search fees. The decrease is due to the reduction in number of application received in the year.
 - (b) The Commission Revenue amounts to \$4,310 as at July 2019. The government acts on behalf of the financial institutions to pay the monthly deductions of the employees to the financial institutions and in process earns commission revenues from financial institutions. There has been decrease in said commission collected by \$422 i.e. (9%).
 - (c) The miscellaneous revenue of the Ministry amounts to \$1,306 as at July 2019 as compared to sum of \$27,443 which was collected as of July 2018. There has been decrease in said revenue collected by \$26,137 i.e. (95%) as fees collected for scheme plan fees, re-zoning fees, sub division fees and plan search fees are recorded under Fees allocation.
-

MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (*Continued...*)
FOR THE YEAR ENDED 31 JULY 2019

NOTE 3: SIGNIFICANT VARIATIONS

- (d) The Established Staff costs amounts to \$2,114,403 as at 31st July 2019. There has been decrease in said SEG expenditures by \$104,857 i.e. (6.5%) due to vacant posts not being filled and also there has been an increase in the 2018-2019 budget by \$280,276 due to new positions being approved. Vacant position were not filled pending the approval of the restructure of the Ministry positions.
 - (e) The Government Wage Earners costs amounts to \$198,196 as at 31st July 2019. There has been decrease in said SEG expenditures by \$7,510 i.e. (4%) due to vacant posts not being filled and also there has been increase in budget by \$56,305 due to new positions being approved. Vacant position were not filled pending the approval of the restructure of the Ministry positions.
 - (f) The Travel and Communications cost amounts to \$248,241 as at 31st July 2019. There has been decrease in said SEG expenditures by \$64,180 i.e. (21%) due to control mechanisms in place for travelling, communication and subsistence expenses for staffs involved for capital projects inspections and also for those staffs who are required to complete the pending tasks in the office after the normal working hours.
 - (g) The Maintenance and Operations costs amount to \$302,230 as at 31st July 2019. There has been decrease in said SEG expenditures by \$51,528 i.e. (15%) due to control mechanisms in place for maintenance cost on the existing ministry's fleet and procurement of building accessories, stationery and printing, fuel and oil, fire and sewerage services and payment for power supply to Energy Fiji Limited.
 - (h) The Purchase of Goods and Services cost amounts to \$171,523 as at 31st July 2019. There has been increase in said SEG expenditures by \$58,309 i.e. (52%) due to increase in training expenses for public officers, periodicals and stationery, payment for security services charges, logistics cost for Local Government Committee members and National Training Productivity Centre levy. Also, procurement of occupational and safety equipment, advertisement cost for public outreach programme awareness, directory expenses and quality control enforcement for effective operations.
-

MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (*Continued...*)
FOR THE YEAR ENDED 31 JULY 2019

NOTE 3: SIGNIFICANT VARIATIONS (*continued..*)

- (i) The Operating Grants and Transfers amounts to \$2,887,792 as at 31st July 2019. There has been increase in said SEG expenditures by \$526,954 i.e. (22%) due to increase in the operating grant funding by \$2,200,000 in 2018-2019 period as compared to preceding year. The grants are administered by the Ministry to various Municipal Councils and National Fire Authority. For example, CEO salaries for five municipal council, Waste Collection Subsidy, Nadi City Operational Cost and Emergency Ambulance Service.
 - (j) The Special Expenditure amounts to \$361,636 as at 31st July 2019. There has been decrease in said SEG expenditures by \$526,462 i.e. (59%) as funding were not fully utilised for special expenditure projects namely, Town Management Support to Municipal Councils, and operational cost for Local Government Committee activities, Special Administrators, Annual Contribution to Commonwealth Local Government Forum, Town Planning Advisory and Urban Policy Action Plan Implementation.
 - (k) There was no budgetary funding allocated for Capital Construction expenditure in 2018-2019.
 - (l) There was no budgetary funding allocated for Capital Purchase expenditure in 2018-2019.
 - (m) The Capital Grants and Transfers expenditure amounts to \$7,211,127 as at 31st July 2019. There has been decrease in said SEG expenditures by \$8,391,513 i.e. (54%) due to decrease in the capital grant funding by \$5,515,214 in 2018-2019 period and also the due to untimely utilisation of previous capital grant issued as per grant agreement to Municipal Councils and National Fire Authority by the Ministry. Additionally, contractual payments for New Town Development projects are processed after certification by the Project Consultant.
 - (n) VAT expenditure amounts to \$62,671 as at 31st July 2019. There has been decrease in said SEG expenditures by \$36,169 i.e. (37%) due to decrease in the expenditures for VAT exclusive SEGs which is subject to VAT. The expenditure for VAT is applicable on VAT exclusive SEGs which are subject to VAT.
-

MINISTRY OF LOCAL GOVERNMENT
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
 FOR THE YEAR ENDED 31 JULY 2019

NOTE 4: APPROPRIATION CHANGES

The virements were approved by the Permanent Secretary for Ministry of Local Government and Ministry of Economy in accordance with section 10 of the Finance Instructions 2010.

| Virement No. | Transfer From | Transfer To | Amount |
|--------------|---------------|-------------|-------------|
| DV3701 | SEG 4 | SEG 3 | \$6,500 |
| DV3701 | SEG 4 | SEG 4 | \$7,500 |
| DV3701 | SEG 5 | SEG 4 | \$8,500 |
| DV3702 | SEG 7 | SEG 4 | \$15,000 |
| DV3702 | SEG 7 | SEG 3 | \$13,000 |
| DV3704 | SEG 3 | SEG 3 | \$260 |
| DV3704 | SEG 3 | SEG 4 | \$8,940 |
| DV3704 | SEG 4 | SEG 4 | \$3,100 |
| DV3704 | SEG 5 | SEG 5 | \$5,000 |
| DV3704 | SEG 4 | SEG 5 | \$1,700 |
| DV3704 | SEG 5 | SEG 5 | \$5,900 |
| DV3704 | SEG 6 | SEG 3 | \$19,480 |
| DV3704 | SEG 6 | SEG 5 | \$13,900 |
| DV3704 | SEG 3 | SEG 3 | \$1,500 |
| DV3704 | SEG 3 | SEG 5 | \$350 |
| DV3704 | SEG 7 | SEG 4 | \$45,700 |
| V37001 | SEG 1 | SEG 1 | \$51,000 |
| V37002 | SEG 10 | SEG 10 | \$1,444,197 |
| V37003 | SEG 1 | SEG 2 | \$14,800 |
| V37003 | SEG 1 | SEG 1 | \$7,450 |
| V37003 | SEG 2 | SEG 2 | \$2,150 |

NOTE 5: SIGNIFICANT APPROPRIATION SAVINGS

Significant savings for the financial year ended 31 July 2019 are as follows:

| Ref | Expenditure (\$) | Revised Budget (\$) | Actual Expenditure (\$) | Savings (\$) | Percentage savings (%) |
|-----|------------------------------|---------------------|-------------------------|--------------|------------------------|
| a) | Established Staff | 2,912,795 | 2,114,403 | 798,392 | 27 |
| b) | Maintenance & Operations | 356,640 | 302,230 | 54,410 | 15 |
| c) | Operating Grants & Transfers | 4,496,075 | 2,887,792 | 1,608,283 | 36 |
| d) | Special Expenditure | 785,400 | 361,636 | 423,764 | 56 |
| e) | Capital Grants & Transfers | 20,800,000 | 7,211,127 | 13,588,873 | 65 |
| f) | Value Added Tax | 138,500 | 62,671 | 75,829 | 55 |

MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (*Continued...*)
FOR THE YEAR ENDED 31 JULY 2019

NOTE 5: SIGNIFICANT APPROPRIATION SAVINGS (cont'd)

- a) The savings in established staff of \$798,392 is due to the vacant positions resulting from resignations and non-renewal of contracts.
- b) The savings in maintenance and operations of \$54,410 is the result of expenditure controls implemented by the Ministry.
- c) The savings in operating grants and transfers of \$1,608,283 is a result of reduction in the grant funding to rural local authorities and the Fire Authority Ambulance Service.
- d) The savings in special expenditure of \$423,764 is due to the reduction in assistance to the municipal council for building surveyor consultants to facilitate building application services.
- e) The savings in capital grants and transfer of \$13,588,873 is a result of the non-utilisation of capital funds budgeted for ten new projects namely; National Fire Authority Capital Grant, Construction of Rakiraki Market; Preparatory works new Rakiraki Bus Station, Lami Market, New indoor Sporting facility - Lautoka; Construction of Roadside Mini Market, Swimming Pool, Nasinu; Re-development of Churchill Park, Upgrade of Children's Park and Valelevu Sports Stadium as the capital grant funding is only released to the Municipal Councils and National Fire Authority subject to completion of each stage of the project with certification from the Consultant.

Additionally, a sum of \$3,420,311.78 was de-requisitioned for utilization however, the excess approval was not granted by Ministry of Economy. These applied to the following projects, Rakiraki Market - \$600,000; Challenge & Investment Fund - \$1,050,405; Laqere Market - \$525,997; Lautoka Swimming Pool - \$918,200; Namaka Market - \$300,000 and New town Development projects - \$25,709.78 which was not completed in 2018-2019 financial year and rolled over to 2019-2020 fiscal year.



BA039

BA038

BA037

\$ 3.50

\$ 2.50