



Ministry of Rural &
Maritime Development
and Disaster Management

Annual Report 2016-2017 2017-2018

TABLE OF CONTENTS

Referral Letter	4
Statement By The Permanent Secretary	5
Corporate Profile	6
Organisation Structure	7
Role of the Ministry	8
Major Goals	9
Highlights	10
Budget and Spending	11
Key Investments And Goals	12
Goal 1: Promoting Equal Opportunities And Access To Basic Services, Livelihoods And Markets	12
1.1 Coordinate And Implement Rural And Maritime Development Programmes	12
1.2 Ancillary Support Services	19
1.3 Service Awareness	20
1.4 Portfolio Leadership, Policy Advice And Secretariat Support	22
1.5 Community Capacity Building	26
Goal 2: Land Resources Management And Development	27
Goal 3: Implementation Of National Disaster Risk Reduction Strategy	28
3.1 Disaster Response	28
3.2 Disaster Preparedness	31
3.3 Disaster Mitigation	35
Goal 4: Human Resource Management And Development	36
Goal 5: Financial Management	42

REFERRAL LETTER

Hon. Inia Seruiratu
Minister for Rural & Maritime Development and Disaster Management
1 Knolly Street
SUVA

Dear Sir,

In accordance with the requirements of Part 7 Section 45 (4) of the Financial Management Act 2004, I hereby submit for your information and presentation to Parliament the Annual Report for the Ministry of Rural & Maritime Development and Disaster Management for the financial years ended 31 July 2017 and 31 July 2018.

Yours sincerely,



David Kolutagane
**Permanent Secretary for the Ministry of Rural & Maritime Development and National
Disaster Management**

STATEMENT FROM

PERMANENT SECRETARY



I am pleased to present the Ministry's Annual Report for the two financial periods ending 31 July 2017 and 31 July 2018. This report reflects the implementation of the Ministry's various programmes against targeted outputs in its Annual Corporate Plan for the two financial periods.

Rural development is a national priority outlined in the 5 Year and 20 Year National Development Plan and supports Government's objectives of "leaving no one behind" even in the most remote rural communities. The abundant natural resources in rural and maritime areas support Fiji's economic growth and development. This must be planned strategically to ensure that economic and social benefits are sustained and made available to all. The Ministry supports an integrated and coordinated development approach to transform rural living standards from their current adversities

into vibrant and resilient rural communities.

During the 2016/2017 and 2017/2018 reporting periods, Fiji was still recovering from its most intense tropical cyclone (category 5) to ever make landfall in Fiji. The widespread damage and destruction of TC Winston was estimated at \$2 billion impacting approximately 62 percent of the country's total population with 44 fatalities. In response, Government reprioritised its resources including Ministries budget towards restoration of services, infrastructure support and rehabilitation work. Our Ministry's coordination role in restoring normalcy to lives impacted reflect the critical role of the Ministry in coordinating Government efforts during emergencies and in normal times.

Despite the TC Winston recovery programmes and many challenges encountered, the Ministry adjusted positively and continued to implement capital programmes assigned for rural and maritime areas. The Ministry made a positive improvement in the 2017/2018 performance period with 89% budget utilisation compared to 76% in the 2016/2017 performance period.

The rural and maritime areas for which the Ministry is responsible for constitutes about 94% of Fiji's total land area, and a population of 390,235, representing 44% of Fiji's total population. Even though rural areas are sparsely populated, the development of rural areas is integral to Fiji's overall development and resilience.

The Ministry, however, has its challenges in fulfilling its vision of achieving sustainable, inclusive, growth and resilient communities. Poverty in rural areas needs to be addressed with the 37% rural population living below the poverty line and 64% of the poor residing in rural areas. We will support from within government and key partners for the redistribution of wealth towards the rural poor, strengthening infrastructure and basic services to ensure no one is left behind.

I wish to acknowledge and commend the tremendous effort of all my staff and our local and international partners for their support and invaluable contributions towards the achievement of the Ministry's programmes in these two reporting periods.

David Kolitagane

Permanent Secretary for Rural and Maritime Development and Disaster Management



VISION

A dynamic Ministry driving sustainable, inclusive, growth and resilience for communities towards a better Fiji for all.

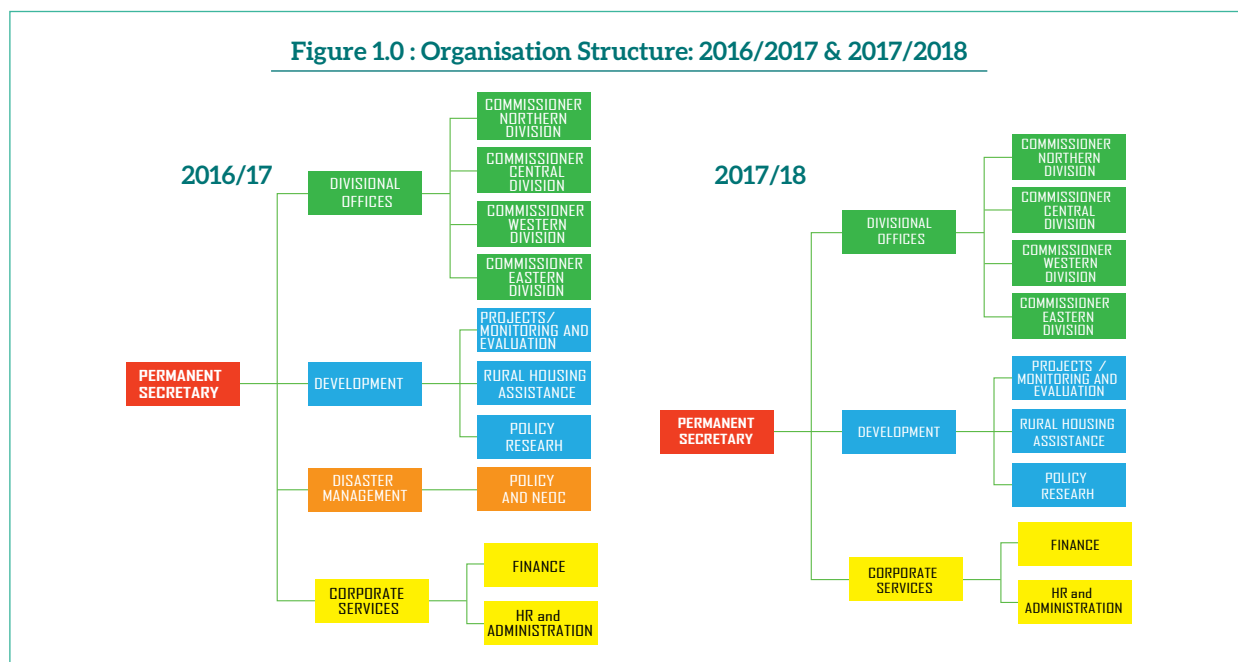
MISSION

Building the Integrated Rural Development Framework for productive, progressive, safe and resilient communities in Fiji

VALUES

Integrity, Honesty, Customer Focus, Professionalism, Inclusiveness, Equality & Diversity, Trust & Result Focused

ORGANISATION STRUCTURE FOR THE PERIOD ENDING JULY 2017 AND JULY 2018

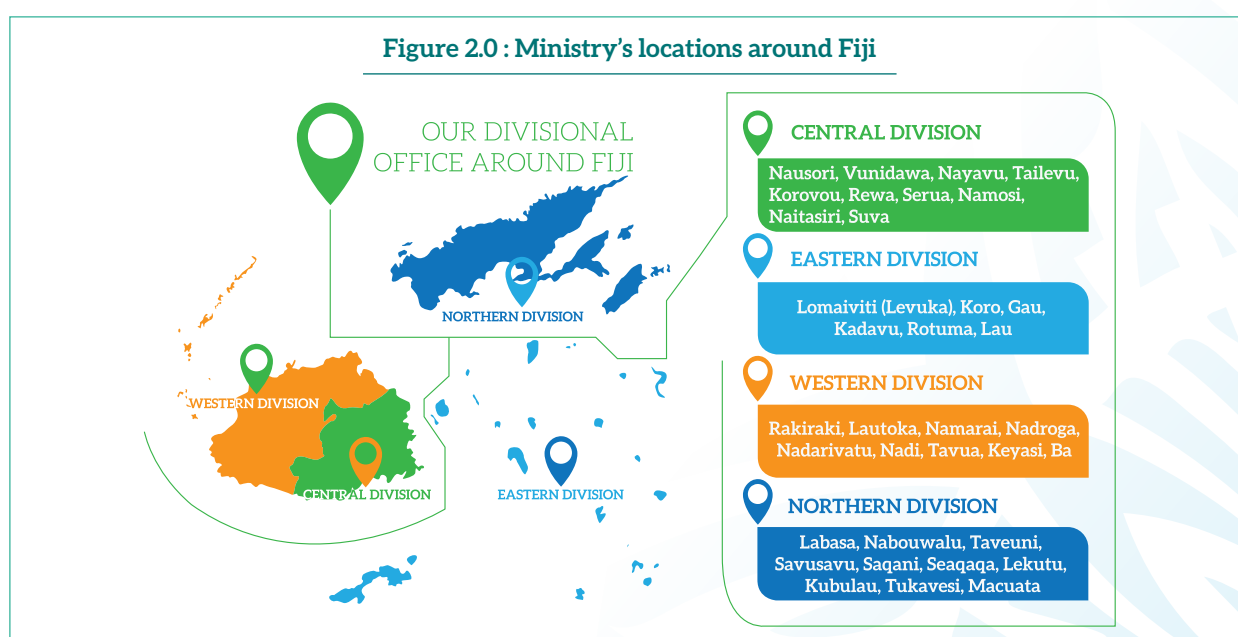


Financial Year 2016/2017

The Ministry had a total of seven (7) Divisions and 32 District offices, under the supervision of 4 Divisional Commissioners. These District offices are located around Fiji as illustrated in Figure 2.0 below. The 4 Divisional Offices are located in their respective Divisions except for Eastern which is based in Knolly street Suva. The Development Services Division, National Disaster Management office (NDMO) and Corporate Services Division (CSD) are based at the ministry headquarters in Suva.

Financial Year 2017/2018

From August 2017, NDMO was transferred to the newly established Ministry of National Disaster and Meteorological Services (MDMMS). Although, the new MDMMS operated under a separate budgetary allocation, some programmes and activities were jointly facilitated with the Ministry of Rural and Maritime Development (MRMD). The two Ministries reported to the same Permanent Secretary and Disaster Management operations were coordinated by MRMD at the Divisional and District levels. The number of divisions in the 2017/2018 financial year had reduced to 6 while the number of Divisional and District offices remained the same.



ROLE OF THE MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND DISASTER MANAGEMENT

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to manage and coordinate government development efforts in rural and maritime communities to support socio-economic development, improve living standards and quality of life, and empower the rural populace to achieve sustainable development livelihoods. The Ministry's role broadly aims to raise resilience levels for all Fijians and adopt Disaster Risk Reduction measures at community level. These directions are aligned to the National Development Plan (20 Year) and support our global commitments.

To do this effectively it must work collaboratively with other Government Agencies, local NGOs and other development partners to coordinate project implementation and prioritise community development needs with central government.

The Ministry builds strategic partnerships with key stakeholders to deliver government services through an integrated approach and collaboration in implementing rural development projects and coordination of disaster emergency operations. The Ministry also facilitates the conduct of public awareness and education on government services to support national goals of growing the economy and improving the quality of life for those in the rural and maritime communities.

Major Programmes and activities under the Ministry's portfolio included the Self-Help Programme (SHP), Non-Cane Access Roads (NCAR) / Community Access Roads, Footpaths and Footbridges (CARFF), Rural Housing Assistance Scheme (RHAS), Emergency Water Supply (EWS), administration of Committee on Better Utilisation of Land (CBUL), Community Capacity Building (CCB), and facilitation of Government Road Shows, ancillary services and National Disaster Management Office (NDMO).

From August 2017, the Ministry's role was reviewed following the transfer of the NDMO to the Ministry of Disaster Management and Meteorological Services and CBUL programme was transferred to the Ministry of Agriculture. However, other programmes remained with the Ministry. Although NDMO operated under a separate Ministry in the 2017/2018 financial period, it continued to work closely with the Ministry of Rural and Maritime Development in most of its programmes.

Ancillary Services

Ancillary services are services facilitated by the Ministry on behalf of other Government Agencies. These services include registration of births, death and marriages, issuance of licenses and collection of licenses and permit fees.

GOALS

To achieve the Ministry's programmes in line with its budgetary provision for the two (2) financial years, the Ministry implemented the following five (5) major goals:

1



Promoting equal opportunities and access to basic services, livelihoods and markets

2



Land resources management and Development

3



Implementation of national disaster risk management strategy

4



Financial management

5



Human resource management and development

GOALS

2016 - 2017 & 2017 - 2018

HIGHLIGHTS

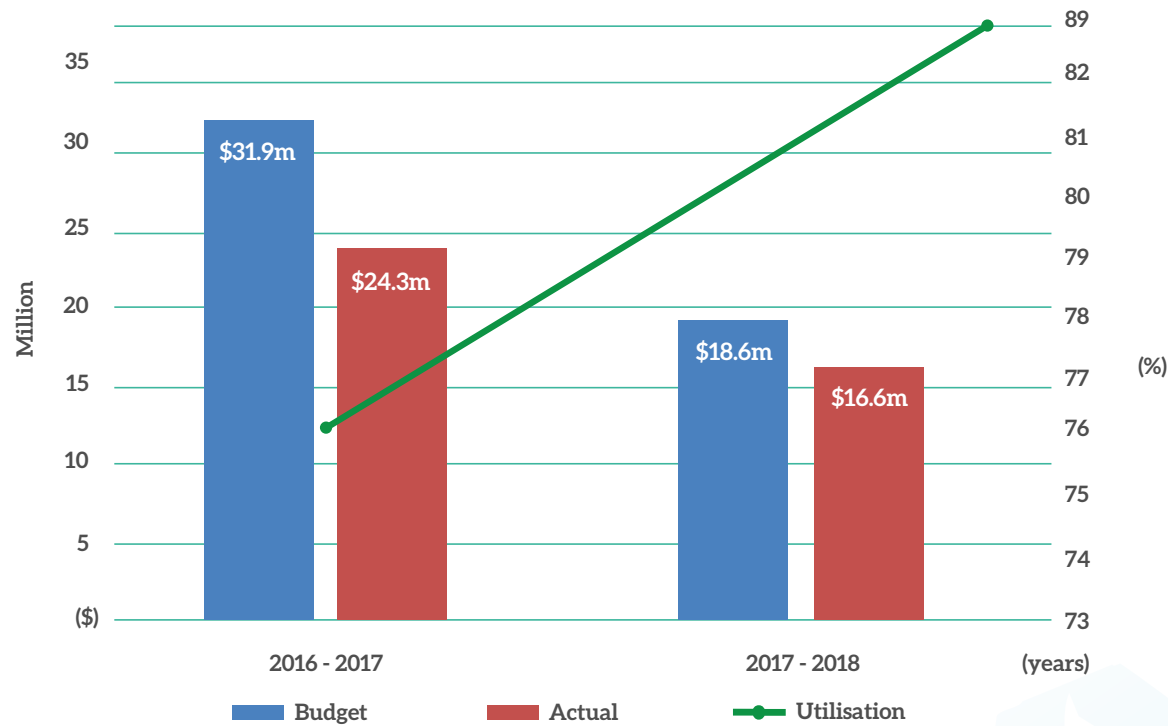


BUDGET AND SPENDING

For financial year 2016/2017, the Ministry was allocated \$31.9m, of which \$24.3m was spent across the 5 Ministry goals. This spending represents 76% utilization of the Ministry’s total funding allocation for that financial year.

For financial year 2017/2018, the Ministry was allocated \$18.6m, of which \$16.6m was spent across the 4 goals of the Ministry. This spending accounts for 89% of budget utilization by the Ministry for that financial year.

Graph 1.0 Total Budget Provision Vs Total Utilization



KEY INVESTMENTS AND GOALS PROMOTING EQUAL OPPORTUNITIES AND ACCESS TO BASIC SERVICES, LIVELIHOODS AND MARKETS



OBJECTIVE

To implement rural infrastructure programmes, service awareness, community capacity building (CCB), ancillary services, research, policy advice and portfolio leadership and secretariat support to development forums.

OUR RESPONSIBILITIES:

In pursuit of this goal, the Ministry facilitates and coordinates the implementation of Capital Projects and advisory services budgeted under the:

- Community Access Roads, Footpaths and Footbridges (CARFF),
- Self Help Projects that promote and assist rural dwellers in the construction of basic amenities and other small projects, Non-Cane Access Roads (NCAR),
- Public Sector Investment Programme (PSIP) - Construction of Government stations in Rural and Maritime Communities
- Community Capacity Building (CCB) Programmes,
- Ancillary Services,
- Provision of advisory support to the Divisional Development Forums (DDF) and the
- Formulation and review of policies, and also provides portfolio leadership and secretariat support.

RESULTS AND ACHIEVEMENTS

1.1 COORDINATE AND IMPLEMENT RURAL AND MARITIME DEVELOPMENT PROGRAMMES

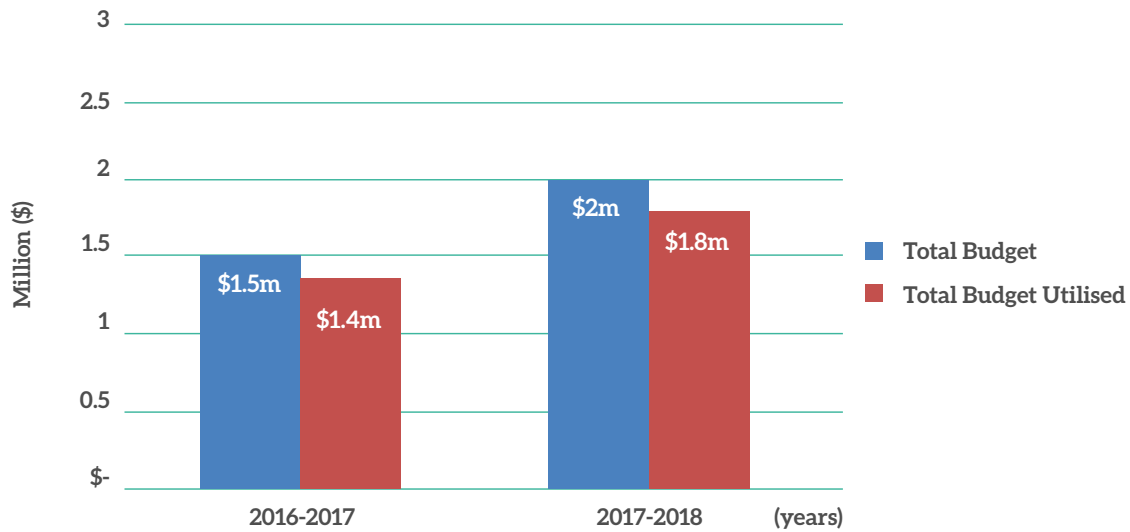
1.1.1 Community Access Roads, Footpaths and Footbridges (CARFF)

This assistance programme is directed towards the construction and upgrade of new and existing farm roads, footpaths and footbridges, with the aim of opening up access to rural communities and areas that have potential for commercial agro-based activities. For the two financial years, budget allocation vs. utilization were as follows:

- 2016/2017 financial year a budget allocation of \$1.5m was provided of which 43 projects were implemented.
- 2017/2018 financial year, a budget allocation of \$2m was provided of which 53 projects were implemented.

A combined total of \$3.5m was invested by Government to implement 96 CARFF projects in the 2016/2017 and 2017/2018 financial years.

Graph 2.0 CARFF Budget VS Utilisation



Population Beneficiaries for CARFF

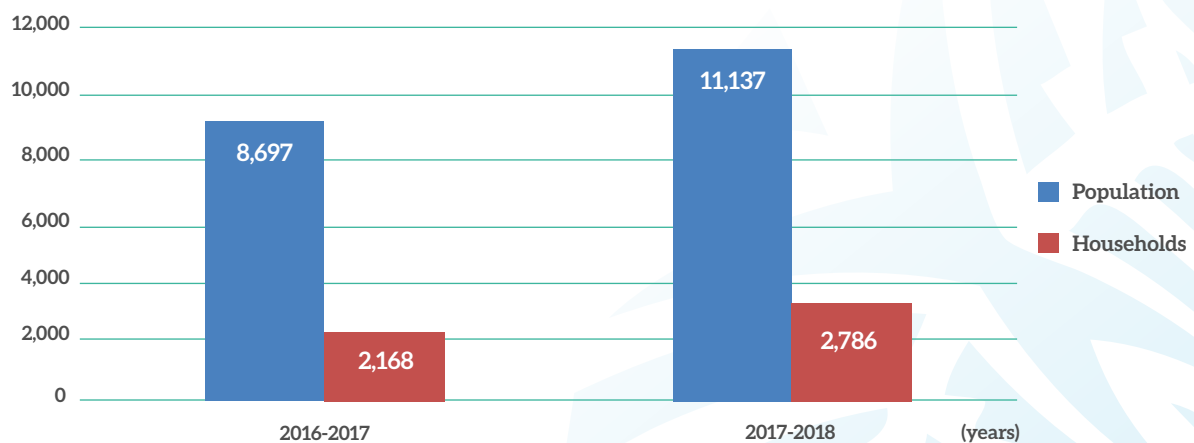
The total beneficiaries for the financial year 2016/2017 were as follows:

- Population benefited 8,697;
- Households benefited 2,168.

The total beneficiaries for the financial year 2017/2018 were as follows:

- Population benefited 11,137;
- Households benefited 2,786.

Graph 3.0 Population Beneficiary for CARFF projects by Division



1.1.2 Self-Help Programme [SHP]

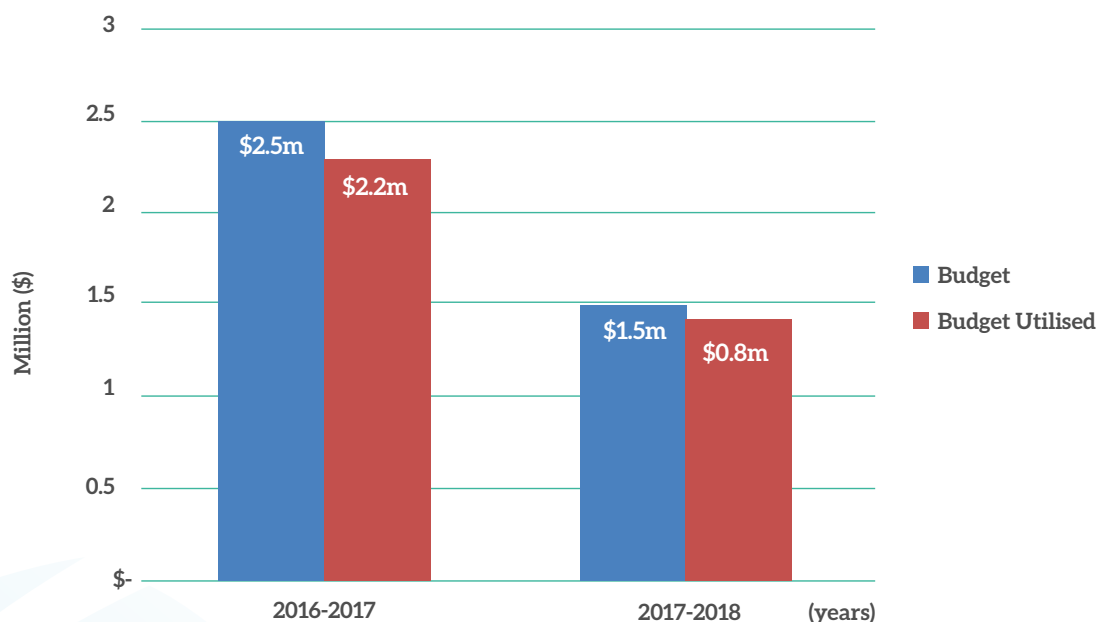
The Self-Help Programme is an assistance-based programme where communities are encouraged to initiate socio-economic projects on a cost-sharing basis. The Programme has transitioned from solely focusing on social projects¹ to livelihood approach² as a means of empowering rural communities through the provision of income-generating opportunities, at the same time addressing the root causes of poverty.

For the two financial years budget vs. utilization were as follows:

- 2016/2017 financial year, a budget of \$2.5m was provided of which 164 projects were implemented.
- 2017/2018 financial year, a budget of \$1.5m was provided of which 121 SHP projects were implemented.

A combined total of \$4m was invested by Government to implement 285 SHP projects in the 2016/2017 and 2017/2018 financial years.

Graph 4.0 SHP Budget provision vs. Budget utilization



¹*Social Projects* - projects that are related to basic necessities. These includes water and sanitation

²*Livelihood approach* - these are economic empowerment activities

SHP Projects by Category

The two SHP categories are social and income-generating projects (IGP). Social projects are those that are related to basic necessity such as education, health, water and sanitation projects. IGPs are those initiatives that are geared towards income generating and wealth creation especially in setting up small businesses.

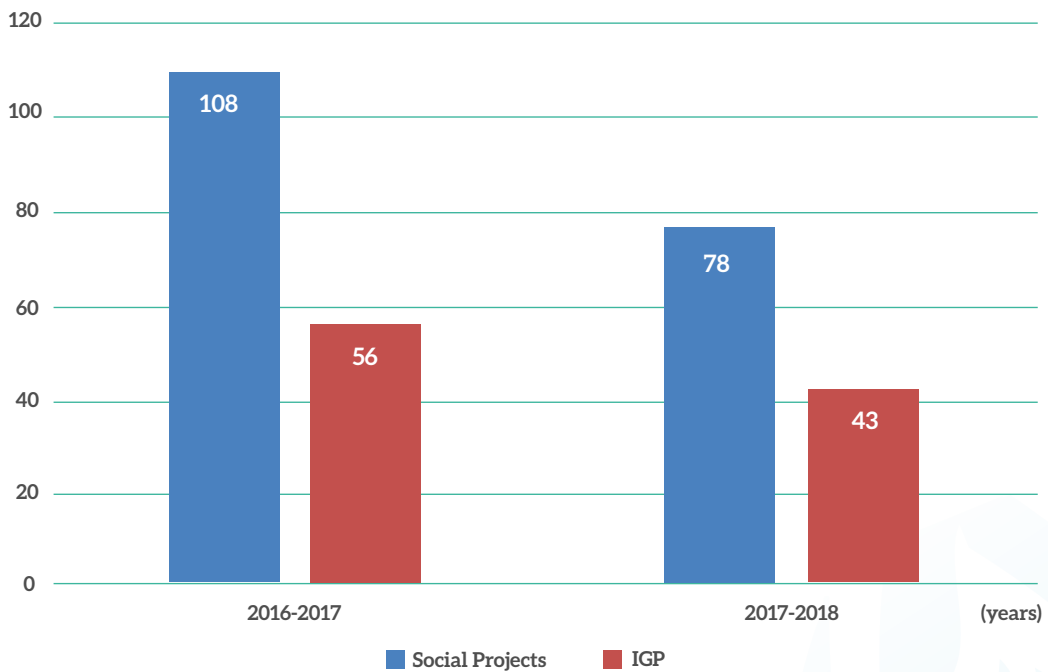
Social Projects:

- 108 were implemented in the 2016/2017 financial year;
- 78 were implemented in the 2017/2018 financial year.

IGP

- 56 were implemented in the 2016/2017 financial year;
- 43 were implemented in the 2017/2018 financial year.

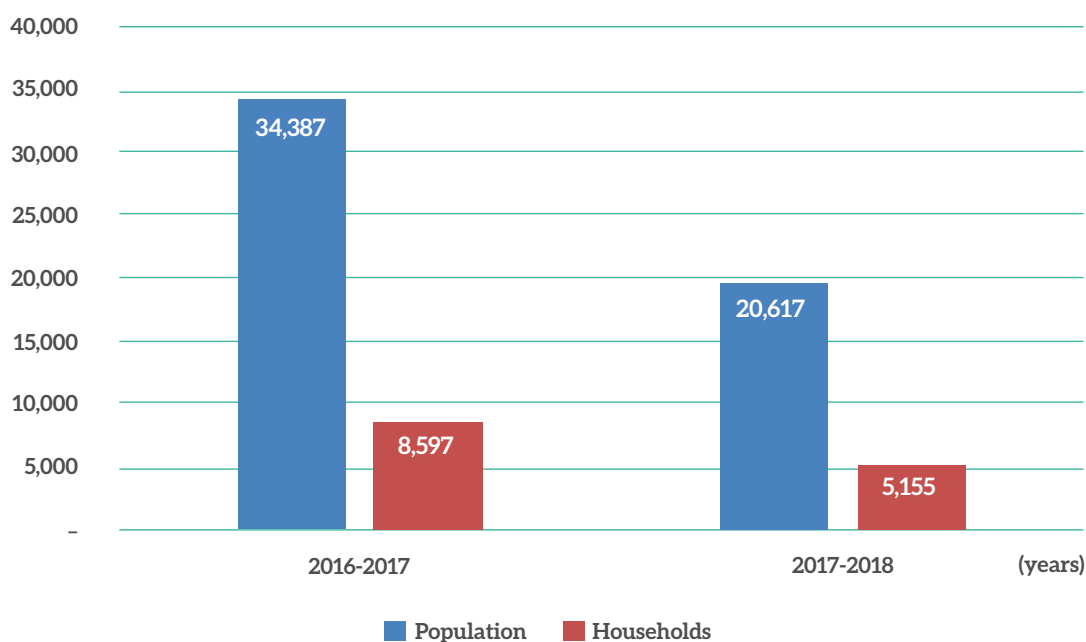
Graph 5.0 Social Projects vs. IGP



Beneficiaries for Self Help Projects

About 54,000 people from approximately 13,700 households benefitted from the 285 SHP projects implemented within the 2016/2017 and 2017/2018 financial years. The beneficiaries were located across the 4 divisions.

Graph 6.0 SHP beneficiaries Population vs Household



1.1.3 The Rural Housing Assistance Programme

The Rural Housing Assistance programme aims to assist rural communities in need of housing structures that are affordable, durable, cyclone-resistant structures and safe for families in Rural Fiji. The two (2) schemes under the RHA programme included:

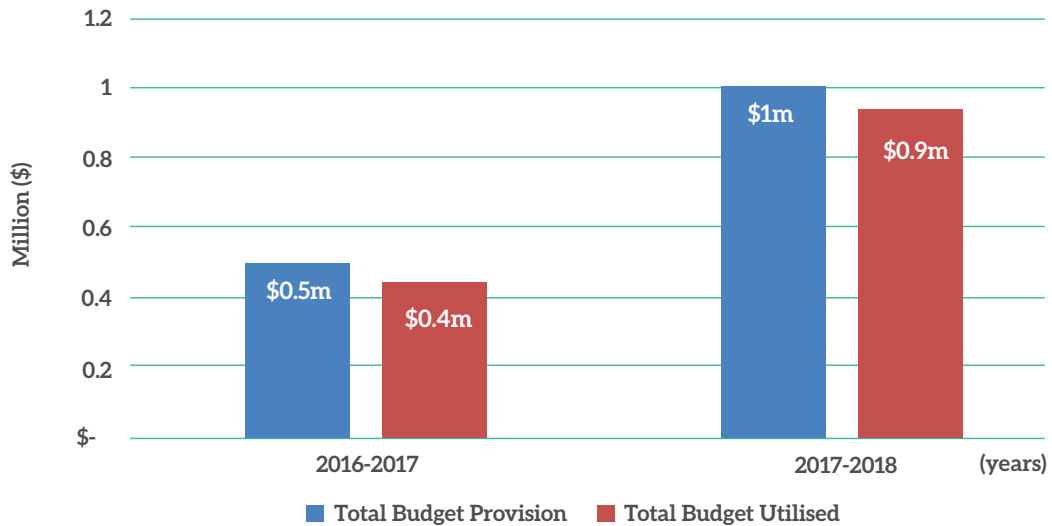
- Scheme 1 - Assistance is provided to purchase and transport building materials from suppliers to the homeowner.
- Scheme 2 - Assistance to Social Welfare recipients, including the elderly, widows and differently-abled.

The two financial years budget vs. implementation were as follows:

- 2016/2017 financial year, a budget of \$0.5m was provided, in which 46 projects were implemented.
- 2017/2018 financial year, a budget of \$1m was provided, in which 94 projects were implemented.

A combined total of \$1.5m was invested by Government to implement 140 RHA projects in the 2016/2017 and 2017/2018 financial years.

Graph 7.0 Rural Housing Assistance projects Budget Provision Vs Budget utilised



1.1.4 Public Sector Investment Programme (PSIP) - Construction of Government Stations

PSIP is a programme that facilitates the implementation of Capital Projects that are more than \$50,000 in value. Projects were identified either through the:

1. The Divisional Development Board; or
2. The Provincial Development Board.

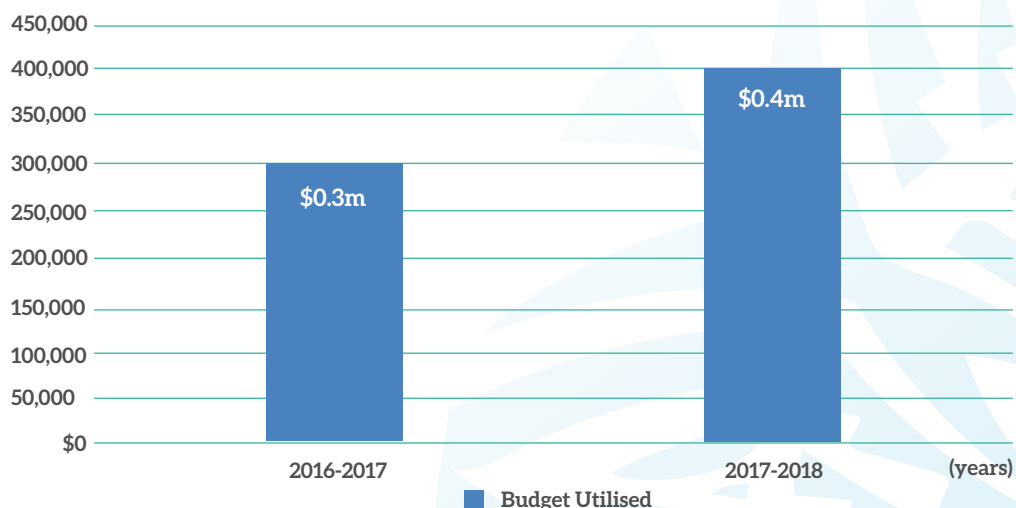
These boards contributed to the prioritisation of development needs in the divisions.

The two financial years budget vs. implementation were as follows:

- 2016/2017 financial year, a budget of \$0.3m was utilised for the relocation of the Nacula Nursing Station and lease payments and geo-tech survey for the Wainua Government Station.
- 2017/2018 financial year, a budget of \$0.4m was utilised in the construction of the Kubulau Government Station and Vunidawa Government quarters.

A combined total of \$0.7m was invested by Government to implement 4 projects in the 2016/2017 and 2017/2018 financial years.

Graph 8.0 Total Budget Utilised



1.1.5 Project Preparatory Work

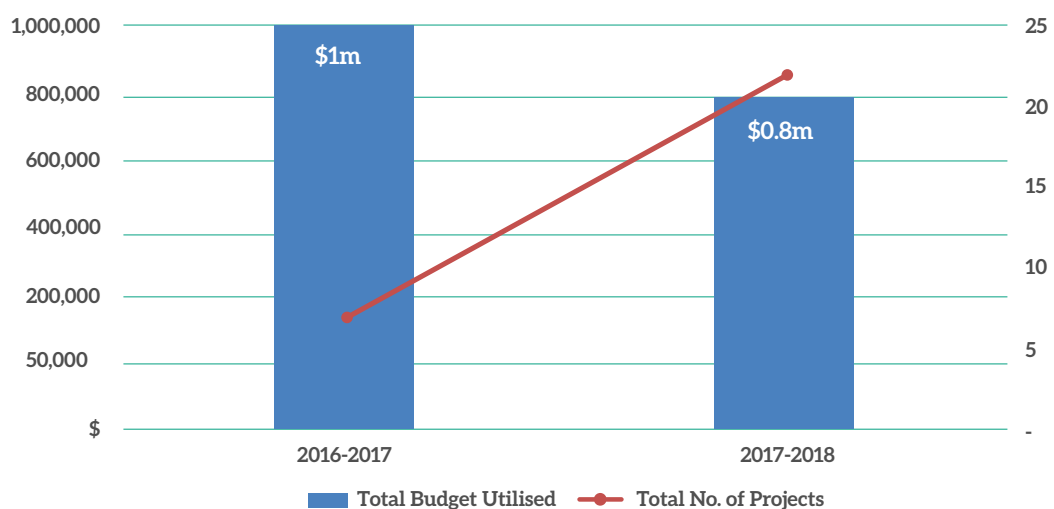
The Project Preparatory Work (PPW) is a programme that facilitates all preparatory works for future PSIP or Construction of Government Stations projects.

The two financial years budget vs. implementation were as follows:

- 2016/2017 financial year, a budget of \$1m was provided in which seven (7) Projects were implemented;
- 2017/2018 financial year, a budget of \$0.8m was provided, in which 22 projects were implemented.

A combined total of \$1.8m was invested by Government to implement 29 PPW projects in the 2016/2017 and 2017/2018 financial years.

Graph 9.0 PPW Total Budget Provision (\$) vs. Total Projects Implemented



1.1.6 Emergency Water Supplies (EWS)

Emergency Water Supplies programme involves the provision or delivery of emergency water supplies to areas and communities affected by dry spells or drought-stricken areas and where water sources have dried up.

For the 2016/2017 financial year, emergency water was supplied to affected areas in Ra, Nadroga/ Navosa and Tavua, including the islands of Vatulele and Malolo. There was no EWS operation in the 2017/2018 financial year as there was no dry spell experienced during this period.

1.2 ANCILLARY SUPPORT SERVICES

1.2.1 Ancillary Services

The Ministry, through the Divisional Commissioners, Provincial Administrators and District Offices, provide ancillary support services on behalf of other line ministries or stakeholders not represented in the Division or District. These services include registrations of births, deaths and marriages, issuance of licenses, permits, and revenue collection. In the 2016/2017 financial year, a total of 21,183 ancillary services were provided, while in 2017/2018 financial year, a total of 18,760 services were provided.

Fifty (50) staff members of the Ministry were appointed by virtue of their posts in June 2018 to be Justices of the Peace Officers.

Table 1.0 Ancillary Services facilitated in 2016/2017

SERVICE TYPE	CCD	CWD	CND	CED	TOTAL
Business License	1,512	1,938	756	555	4761
Liquor License	590	761	13	15	1379
Fishing Permit	513	1,786	1,878	216	4393
No. of Government Pool Quarters Administered	232	343	331	174	1080
No. of Government Rented Quarters Administered	3	213	6	0	222
Permits under Public Order Act	106	186	92	120	504
Registration of Births/Deaths & Marriages	173	748	254	245	1420
Gaming License	18	-	30	1	49
Justice of Peace	6,786	-	396	166	7348
Magistracy Service in Rotuma	-	-	-	27	27
TOTAL	9,933	5,975	3,756	1,519	21,183

Table 2.0 Ancillary Services facilitated in 2016/2017 & 2017/2018

SERVICE TYPE	CCD	CWD	CND	CED	TOTAL
Business License	1,000	1,905	1,436	485	4,826
Liquor License	275	278	69	15	637
Fishing Permit	425	1,775	1,213	294	3,707
No. of Government Pool Quarters Administered	232	343	331	174	1,080
No. of Government Rented Quarters Administered	3	213	6	0	222
Permits under Public Order Act	786	186	122	121	1,215
Registration of Births/Deaths & Marriages	-	748	83	246	1,077
Gaming License	-	0	395	0	395
Justice of Peace	3,184		-	94	3,278
Magistracy Service in Rotuma				27	27
Ex-servicemen After Care fund	1,000	942	384		2,326
TOTAL	6,905	6,390	4,039	1,456	18,790

1.3 SERVICE AWARENESS

1.3.1 Government Roadshows

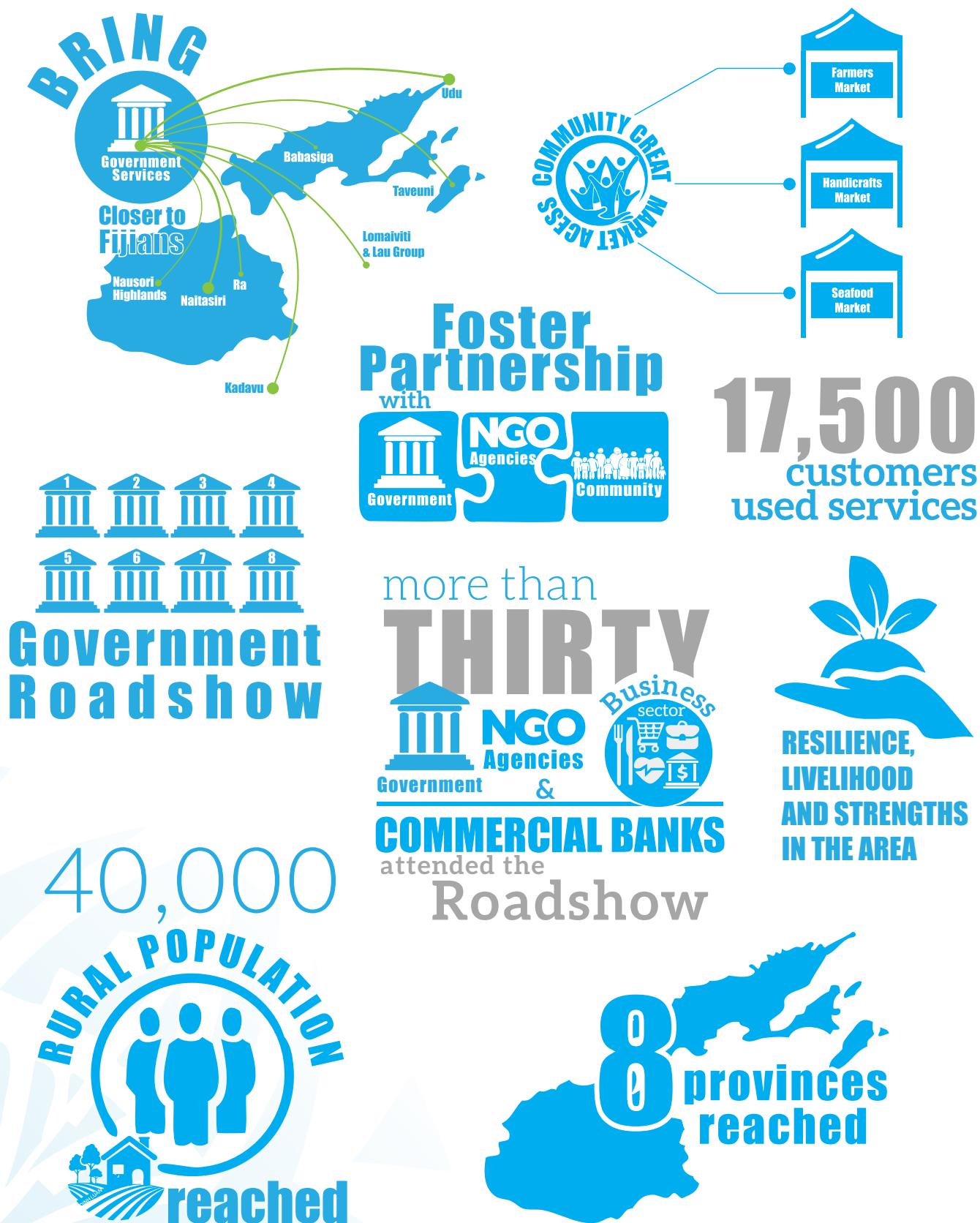


Table 3.0 Roadshows conducted in 2016/2017

Division	Dates	Venue
CCD	15-16 February, 2017	Lomary Sec Sch, Serua
CWD	14-16 September, 2017	Nanoko, Ba
CND	12-13 April, 2017	Saqani, Cakaudrove
CED	3-7 July, 2017	Tavuki, Kadavu

Table 4.0 Roadshows conducted in 2017/2018

Division	Dates	Venue
CCD	4-5 April, 2018	Natalaira, Dawasamu, Tailevu
CWD	18-19 July, 2018	Nasau, Ra
CND	14-15 June, 2018	Wainunu, Bua
CED	16-18 May, 2018	Moala, Lau



Government Roadshow in Moala, Lau



Government Roadshow in Serua

Table 5.0 Number of Customers facilitated at the GSCs

FY	CCD	CWD	CND	TOTAL
2016/2017	6,786	1,501	2,560	10,847
2017/2018	2,319	2,731	1,667	6,717

1.4 PORTFOLIO LEADERSHIP, POLICY ADVICE AND SECRETARIAT SUPPORT

1.4.1 Review and Formulation of Policy Papers

Fourteen (14) Cabinet Submissions were tabled in Cabinet and endorsed during the two Financial Years. The two Policies endorsed by Cabinet were the National Humanitarian Policy for Disaster Risk Management and the National Tsunami Response Plan.

Table 6.0 Number of Cabinet papers, Policies and MOU/MOA facilitated

Year	Cabinet Submissions	MOU/MOA	Approved Policies
2016/2017	7	4	2
2017/2018	7	-	-

The four (4) Agreements signed with international partners during the same period are as follows:

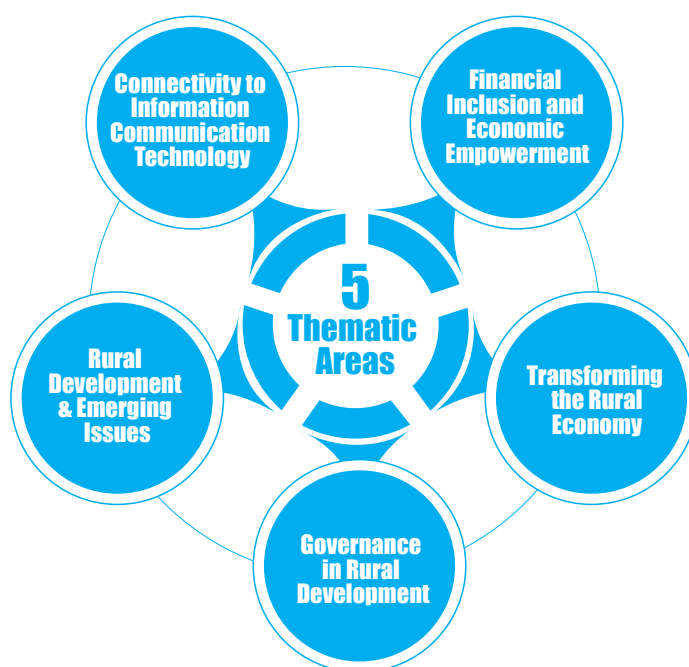
- i. **Memorandum of Understanding (MOU) with the Asian Institute of Technology (AIT) on Space-Based Technology (SBT) and Information Communication Technology (ICT)** - The Agreement was to assist Fiji to improve local capacity and collect and share reliable and timely disaster-related data using SBT and ICT at the local government and community level in a cost-effective manner to strengthen disaster resilience and support timely post-disaster response, recovery and construction efforts.
- ii. **Memorandum of Agreement (MOA) with the Japanese International Cooperation System Grant Aid to the Ministry of Rural and Maritime Development and National Disaster Management** - The Grant involved the procurement of vehicles and heavy machinery (worth Japanese Yen ¥300,000,000, calculated to be an equivalent of FJD 5.8million) to contribute to the implementation of the Economic and Social Development Programme immediately after a natural disaster.
- iii. **MOU with New Zealand Government on the Grant Funding Arrangement for “Emergency Response Boats” New Zealand Government’s Ministry of Foreign Affairs and Trade (MFAT)** - The MOU involved the provision of five (5) amphibious rescue boats improving Government’s overall emergency response logistics, rescue capability and disaster preparedness.
- iv. **MOA with the Secretariat of the Pacific Community (SPC) under the ACP - EU Building Safety and Resilience in the Pacific (BSRP) Project** - This was aimed at strengthening Disaster Risk Management in Fiji. The following Projects were funded under the agreement:
 - Review of the Natural Disaster Management Act (NDMA) and National Disaster Management Plan (NDMP);
 - Rural Carpenter Training; and
 - Capacity Building Disaster Risk Resilience & Management - refurbishment of Emergency Operation Centers (EOCs)

1.4.2 Rural Development Symposium in 2018

In April 2018, the Ministry convened its first-ever two (2) day Rural Development Symposium in Nadi. The Symposium was attended by 109 rural development practitioners, inclusive of academics, Ministry' staff, and the private sector, Non-Governmental Organisations (NGOs), line government agencies and regional organisations and thirty-one (31) international participants from the Center for Integrated Rural Development for Asia and the Pacific (CIRDAP) member countries.

The objective of the Symposium was to examine and address critical issues pertaining to rural development in Fiji by highlighting a number of contextual factors affecting policy, programmes and administration of rural development. The theme of the Symposium was *“Sustainable Rural Development for Fiji”*.

The five (5) thematic areas covered during the Symposium are illustrated below,



The Symposium culminated with an Outcome Statement in the form of a Communiqué.



1.4.3 CIRDAP 33rd Technical Committee Meeting in 2018

Fiji being a member of the CIRDAP hosted the 33rd CIRDAP Technical Evaluation Committee (TEC) meeting from 18 to 20 April 2018 at Tanoa International Hotel in Nadi. The meeting was convened subsequently to the 2-day Rural Development Symposium.

Fourteen (14) out of the fifteen (15) CIRDAP member countries were represented at the TEC 33 meeting where the Permanent Secretary of the Ministry, Fiji's representative to the forum, was elected Chair.

Also in attendance at the TEC meeting were CIRDAP expert resource personnel and observers from regional and CIRDAP Countries Rural Development Academic institutions.

Key outcomes of the TEC 33 worth noting, especially for Fiji, were as follows:

- (i) The establishment of CIRDAP Sub-Centre in Fiji to coordinate CIRDAP Programmes, and the
- (ii) Establishment of a CIRDAP Link Institute (CLI) in Fiji to conduct research and training on rural development.



1.4.4 Development Forums

The Ministry is responsible for providing advisory and support roles to the Provincial Development Boards (PDB), the Divisional Development Boards (DDB) and the District Advisory Councils (DAC). These forums were established under the Rural Integrated Development machinery endorsed by Cabinet in 2009 to assist the Divisional Commissioners in providing strategic directions for development in their respective Divisions. These forums also scrutinised and endorsed the Provincial and Divisional Strategic Development Plans.

Development Boards Memberships

The three boards consisted of 506 members. DAC membership represented the 288 DAC constituencies in Fiji, while the PDB and DDB were represented from the 14 Provinces in Fiji and the Rotuma Island Council.

Table 7.0 Boards Memberships are tabulated by Divisions below

DIVISION	PDB MEMBERS	DDB MEMBERS	DAC MEMBERS
Central Division	12	59	66
Western	12	35	129
Northern	15	36	83
Eastern	10	39	10
TOTAL	49	169	288

Development Board Meetings

A total of 74 meetings were convened during the two periods (2016/2017 & 2017/2018) and were coordinated by the Divisional and District Offices.

Table 8.0: Number of Meetings convened

FORUM	2016/2017			2017/2018				
	CCD	CWD	CND	CED	CCD	CWD	CND	CED
PDB	5	3	3	4	5	3	3	4
DDB	1	1	1	1	5	1	1	1
DAC	4	6	5	1	4	6	5	1
TOTAL	10	10	9	6	14	10	9	6

1.4.5 Facilitation of Protocol Services

Providing protocol services to visiting dignitaries or senior government officials and coordinating national events at divisional and districts are two (2) significant roles of the Ministry particularly at Divisional and District level. Tabulated below is a summary of Protocol Services and national events facilitated during the two periods (2016/2017 & 2017/2018).

Table 9.0: Protocol Services facilitated

PROGR.	2016/2017	2017/2018
Protocol Services	The 4 Divisions conducted 117 Protocol Services.	91 Protocol Services were conducted by the 4 Divisions.
Events	Few important events usually attended by the Ministry representatives, which includes; <ul style="list-style-type: none">Fiji Day CelebrationEx-Servicemen Remembrance Day	Apart from the two (2) National Events, the Ministry had also assisted in coordinating the National Climate Change Celebration Week for this Financial Year.

1.5 COMMUNITY CAPACITY BUILDING (CCB)

The CCB programme is intended to assist communities in formulating Community Development Plans (CDP) by utilising existing resources in their villages and communities to enhance their social and economic development and reduce dependency on Government.

- 2016/2017 financial year, 3 CCB programs were conducted in Seaqaqa, Macuata and Bureiwei Village in Ra.
- 2017/2018 financial year, 2 Income Generating Projects (IGP) training were conducted in the Central Division, and 1 programme was conducted in Kadavu.

Rural Carpenter Training

As part of capacity building for the rural and maritime communities, the Ministry, in partnership with the Fiji National University (FNU), conducted eight (8) Rural Carpenter Trainings in the 2016/2017 and 2017/2018 financial periods. Two hundred and twelve (212) rural dwellers were trained under the Rural Carpenter Training programme during the two financial years.

The training venues during the two periods are tabulated below:

Table 10.0: Rural Carpenter Training conducted

2016/2017	2017/2018
<ol style="list-style-type: none"> 1. Naweni Village, Cakaudrove 2. Qelekuro Village, Tailevu 3. Tiliva Village, Kadavu 4. Bukuya Village, Ba 	<ol style="list-style-type: none"> 1. Nabukadra Village in Ra, 2. Vatukarasa village in Tailevu, 3. Lakeba village in Macuata 4. Levuka Village in Lakeba, Lau



Rural Carpenter Training in Tailevu



Opening of the Jioma Foot crossing in January 2017

GOAL 2 LAND RESOURCES MANAGEMENT AND DEVELOPMENT



OBJECTIVE

To coordinate land utilisation on agricultural land and tenancy lease in the Western, Northern and Central divisions.

OUR RESPONSIBILITIES

Pursuing this goal, the Ministry facilitates consultation with landowning units with expired leases and encourages partnerships between stakeholders and promote better utilisation of land under reserve.

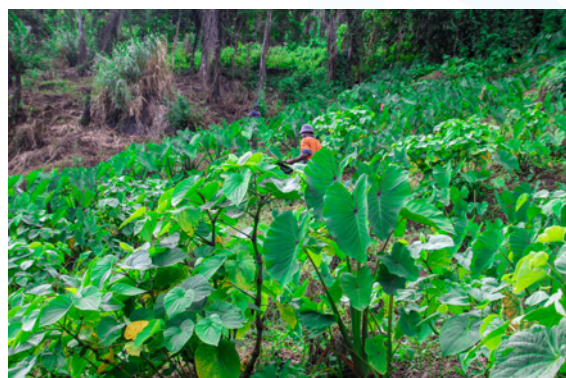
RESULTS

2.1 BETTER UTILISATION OF LEASED LAND THROUGH COMMITTEE ON BETTER UTILISATION OF LAND (CBUL)

During the 2016/2017 FY, ten (10) awareness and outreach programmes were conducted with landowning units with expired leased lands in the Northern Division. The purpose of the outreach programme was to discuss and encourage landowners on opportunities to better utilise their land. Four (4) progressive meetings were also convened to complement the awareness initiatives.

Two (2) sub-divisional CBUL meetings were convened during the year to firm up the payment of \$7.1million to the iTaukei Land Trust Board (iTLTB) on the initiatives implemented from the outreach programmes conducted.

In August 2017, the programme was transferred to the Ministry of Agriculture.



3 IMPLEMENTATION OF NATIONAL DISASTER RISK REDUCTION STRATEGY



GOAL 1 OBJECTIVE

This goal involves disaster prevention, mitigation, preparedness, response, emergency operations, relief and rehabilitation.

GOAL 1 OUR RESPONSIBILITIES:

In pursuit of this goal, the Ministry coordinates with relevant stakeholders on the implementation of the National Disaster Management policies, including disaster mitigation and preparedness and emergency operations. The NDMO sets up the National Emergency Operation Centre (NEOC) Divisional and District EOCs to coordinate disaster monitoring, warning, and immediate post-disaster response, including emergency relief work.

RESULTS AND ACHIEVEMENTS

3.1 DISASTER RESPONSE

3.1.1 TC Winston Recovery and Rehabilitation Programme

i Tropical Cyclone (TC) Winston Reports Highlight all reports published after TC Winston

A national workshop was conducted on 26-28 July 2016 to identify lessons learnt from TC Winston operations. The workshop was held at the Novotel Hotel, in Lami, Suva with the financial support from the European Union and the Australian Department of Foreign Affairs and Trade (DFAT). The NDMO and the Secretariat of the Pacific Community (SPC) in close cooperation with partners such as the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), the University of the South Pacific (USP), the International Federation of the Red Cross, the Fiji Red Cross and the World Food Programme (WFP) including the Ministry of Civil Service facilitated the 3 days workshop.

The purpose of the workshop was to consolidate feedbacks from multiple stakeholders (local, regional and international) on the TC Winston response in order to identify steps and make recommendations to strengthen future disaster risk management in Fiji. The workshop was attended by more than 500 participants from Government, local and international NGOs, affected communities, the private sector, humanitarian partners, sub-national government and civil society groups.

Other reports published by Government and development partners after TC Winston included TC Winston Recovery Framework, Food Security and Recovery Needs Assessment, Disaster Response and Lessons Learnt, Education response, Humanitarian response, Post Disaster Needs Assessment and Logistics lessons learnt summary.

ii TC Winston Commemoration

The TC Winston Commemoration Day was held on 20 February 2017, at Albert Park in Suva to commemorate the catastrophic event that claimed 44 innocent lives. This event provided an opportunity for survivors to reflect on their experiences as the nation strives collaboratively to increase community resilience to withstand future disasters.

The theme of the event was *“Live to Tell - A resilient Fiji”* and the scope was to capture as much essence of TC Winston from government and that outside government. The event included public statements, video presentations, interviews of victims of TC Winston, exhibitions through the involvement of members of the public and students, high media advocacy included live streaming, which promoted the commemoration of the event.

The event was attended by government agencies, NGOs, students and members of the public.

iii Tukuraki Relocation Project

The Tukuraki Relocation Project started on 26 June 2016, after 50% of the whole village was buried by a major landslide on 26 January 2015 - killing a young family of four (4).

The Mineral Resources Department (MRD), following their assessment, confirmed that the site was no longer safe for occupation due to ground instability. Consequently, an evacuation order was issued to the villagers to vacate the site within 48-hours after the incident.

The European Union (EU), through the Building Safety and Resilience in the Pacific (BSRP) Project, provided a budget of \$770,000 in 2015 for the establishment of the Tukuraki Relocation project and rebuilding of Tukuraki Village. The project was completed in 2017 and officially opened on 26 October 2017.



Tukuraki Relocation Project in June 2018.

iv Emergency Operations

In December 2016, widespread rain and flooding were experienced across Fiji, resulting in multiple landslides around the country. Qamea Island in the Northern Division was badly affected by a major landslide in which the Dreketi Health Centre, the Dreketi Primary School and houses in Togo Village were destroyed. Following an assessment by the MRD team, 18 houses were identified to be in the red zone areas.

Government-led a team to Qamea to conduct damage assessment and provided food rations, relief and rehab operations. The damage was estimated at \$30m, with the agriculture and infrastructure sectors the most affected. Ongoing TC Winston assessments were also conducted during this period.



Qamea Landslide - January 2017



Qamea Landslide - January 2017

3.2 DISASTER PREPAREDNESS

3.2.1 National Disaster Management Council (NDMC) Meeting

The National Disaster Management Council (NDMC) meeting was convened in December 2016 due to post TC Winston events.

3.2.2 Review of the Disaster Act and Plan

The review of the Natural Disaster Management Act commenced in March 2018. It was led by the International Federation of Red Cross (IFRC) to ensure compliance to international disaster response legislation and the world humanitarian system.

The review required significant consultations with key stakeholders which commenced with the TC Winston Lessons Learned workshops, where recommendations were made regarding the policy and legislation review work. However, additional consultations were conducted to ensure that the needs and views of all were accurately captured and to verify the proposed recommendations for changes to policy and subsequent amendment to legislations. The review was funded by the BSRP in partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Two important policies were also reviewed and completed during the 2017/18 financial year; (1) National Humanitarian policy for Disaster Risk Management and (2) the Tsunami Response Plan. The formulation of these two policies was funded by the Department of Foreign Affairs and Trade under the Australian Government.

3.2.3 Installation of Tsunami sirens

Five (5) Tsunami sirens were installed in the Suva-Lami corridor through a partnership between the Ministry, SPC, BSRP and GIZ.

3.2.4 Refurbishment and Upgrading of Emergency Operation Centers (EOC) and Warehouses

The refurbishment and upgrading of two (2) District Emergency Operation Centres, namely DO Tavua and DO Lautoka, commenced from the 2016/2017 FY and were completed in the 2017/2018 financial year. During the same period, the new Lautoka and Labasa warehouses were constructed.

The refurbishment of District EOCs was funded under the BSRP programme, while the construction of the Lautoka and Labasa warehouses were funded by the New Zealand government under the MFAT programme. Included in the MFAT funding was the provision of 10 x 1,000ltrs towable trailers and 2 x 10,000ltrs water tank.

3.2.5 Donation of Rescue Boats

Five (5) rescue boats (Sealegs) were donated by the New Zealand Government in July 2017 under the Grant Funding Arrangement for “Emergency Response Boats” to improve Government’s overall emergency response logistics, rescue capability and disaster preparedness. In partnership with MFAT, the Ministry conducted a three (3) days Sealegs Operators training from July 24-26, 2017. The training was attended by Ministry staff and personnel from key line agencies, including the Fiji Military Forces, Fiji Police and Fiji Navy.

3.2.6 Communication

The High frequency (HF) radio communication system on ten different sites around the country re-established and funded by the World Food Program (WFP). The ten sites are listed below:

- i. National Disaster Management Office - National Emergency Operation Centre located at Regional House, 1 Knolly Street, Suva;
- ii. Central Division Operation Room located on Level 2, Tailevu House, Nausori;
- iii. Korovou District Emergency Operation Centre located on Level 1, Waimaro Building in Korovou Town;
- iv. Rakiraki District Emergency Operation Centre (Office of Provincial Administration Ra) located in the main centre of Rakiraki Town;
- v. Tavua District Emergency Operation Centre located in the Tavua District Office Building in Tavua Town;
- vi. Ba District Emergency Operation Centre located in the Ba District Office Building in Ba Town;
- vii. Western Division Emergency Operation Centre located in the Office of the Commissioner Western Division in Lautoka City;
- viii. Nadi District Emergency Operation Centre located on Level 2 of the Nadi District Office in Nadi Town;
- ix. Sigatoka District Emergency Operation Centre (Office of the Provincial Administrator Nadroga/Navosa) located in Lawaqa, Sigatoka town;
- x. Eastern Division Emergency Operation Centre located on the ground floor of Regional House, 1 Knolly Street Suva.

Figure 3.0 : Radio Communication System sites



3.2.7 National Disaster Awareness Week

National Disaster Awareness Week (NDAW) is an annual event mandated by law under the NDM Act 1998. The NDAW is aligned to the International Day for Disaster Risk Reduction, which is held annually on 13 October. This event aims to enhance the level of disaster preparedness of communities and anticipate the reduction of damages and losses that may occur if a disaster strikes. It also assists in preparing communities for the beginning of the cyclone season in November.

In the 2016/2017 financial year, the NDAW was held from October 25-28, 2016 in Suva as well as in the Division. The theme for the NDAW was “Live to Tell” and was launched by the Assistant Minister Hon. Joeli Cawaki at the Fiji Meteorological Office in Laucala Bay, Suva, followed by talkback shows in three (3) languages with the Fiji Broadcasting Corporation (FBC). NDAW capped off with an Open Day whereby the public and school students were invited for a tour of the National Emergency Operation Center (NEOC). The Open Day on 28 October 2016, was officiated by the Permanent Secretary then, Mr Meleti Bainimarama, at Victoria Park in Suva. A total of 405 students attended the event.

In the 2017/2018 financial year the NDAW was held on October 13-20, 2017 at Ratu Sukuna Park in Suva. The Ministry, facilitated the event and the theme was “Tsunami Ready”. The event was officially opened by the Minister for Defence and National Security, Hon. Ratu Inoke Kubuabola. The Fiji National Humanitarian Policy for Disaster Risk Management and the Tsunami Response Plan were also launched at the event.



Students participating at the NDAW



Stakeholders and key Agencies at the NDAW



2017 NDAW ACTIVITIES

NEOC EXPERIENCE

The NEOC Experience” was a new component of NDAW and the purpose was to raise awareness/knowledge of school students and members of the public after a tour of the NEOC.

DISPLAY

The Fiji Clusters and Fiji Met Office were invited to present information on preparedness for Category 5 Cyclones and other natural hazards in conjunction with NDMO’s media campaign and “NEOC Experience”.

DRILL

Conducted during the day to 400 students by Save the Children Fiji

EXPERIENCE SHARING

Three(3) students and two(2) teachers from QVS shared experience on TC Winston

Fiji TV COMMERCIAL

Disaster Preparedness advice to the general public have been aired by the Fiji TV for the month of November.

TALK BACK SHOW

Talk Back shows aired through FBC in three(3) different languages English, Hindi and iTaukei. This continued during the Cyclone Season.

SOCIAL MEDIA

The Ministry’s Media team worked closely with NDMO in pushing disaster preparedness messages.

3.2.8 Upgrade of Disaster Information Management Systems (DIMS)

A new Database Management system project was funded in the 2017/2018 budget. The objective of the project was to automate all disaster management and emergency operations processes, project management data for informed decisions and foundation for new information, communications technology (ICT) in the Ministry.

The project had a four-phase cycle comprising of scoping and analysis, consultations and planning, development phase and the implementation phase. At the end of the financial period, the project completed the first and second phases, which included purchasing equipment necessary for the project.

3.3 DISASTER MITIGATION

3.3.1 Community-Based Disaster Risk Reduction (CBDRR) Training

Two (2) major CBDRR trainings were conducted in Vanuabalavu (whole of Vanuabalavu including Cikobia and Avea) Lau and in four (4) villages in the province of Ra. The training in Vanuabalavu was funded by the Adventist Development and Relief Agency (ADRA), while the training in Ra was funded by Partners in Community Development (PCDF).

3.3.2 Disaster Risk and Climate Change Adaptation (DRR & CCA)

The DRR & CCA programme was established to support the need to put in place measures to build the resilience of communities at the grassroots level. At the inception of the programme, the focus was solely on DRR initiatives. The main areas of assistance under the programme have been towards the construction of seawalls and evacuation centres and the provision of financial support towards community relocation activities.

The programme was used to pilot Government's relocation programme, which was undertaken for Vunidogoloa Village in Cakaudrove. This pilot project provided the blueprint for the relocation of Tukuraki Village in Ba and Narikoso Village in Kadavu in terms of the Standard Operational Procedures (SOP) needed for a complete relocation programme.

The programme was expanded to include CCA, given the convergence between DRR and CCA at the implementation level.



Relocated Vunidogoloa Village in Cakaudrove (Picture: GIZ Pacific)



Official opening of the relocated Tukuraki Village in Ba - October 2017



HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT



OBJECTIVE



This goal involves management of human resources, staff development, organisational development and administration.



OUR RESPONSIBILITIES:



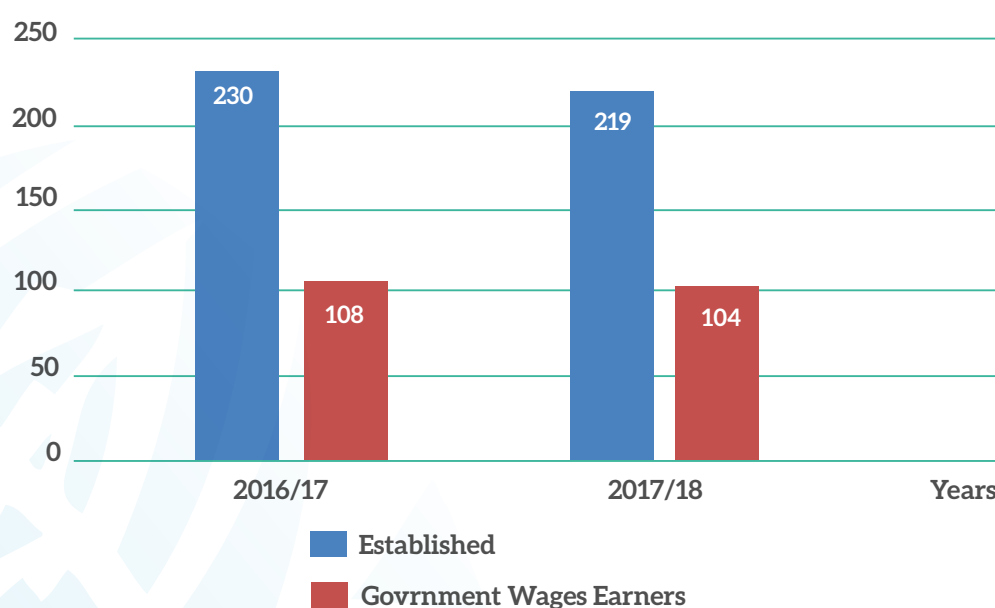
In pursuit of this goal, the Ministry facilitates Human Resource Management through the recruitment and selection process, facilitate and conduct staff training, annual performance assessments, leave management, management of vehicle and transport and other logistics support.

RESULTS AND ACHIEVEMENTS

4.1 STAFF ESTABLISHMENT

The Ministry had a total establishment of 338 positions (230 Established; 108 GWE) in the 2016/2017 financial year and 323 positions (219 Established and 104 GWEs) in the financial year 2017/2018. The reduction in staffing numbers from the 2016/2017 financial year and 2017/2018 was due to the transfer of the NDMO to the Ministry of Disaster Management and Meteorological Services from August 2017.

Graph 11 : Ministry's Staff Establishment



4.1.2 Recruitment and Selection

A total of 103 appointments were facilitated in the 2 financial years. The Ministry's vacancy rate reduced from 15% in the 2016/2017 financial year to 13% in the 2017/2018 financial year.

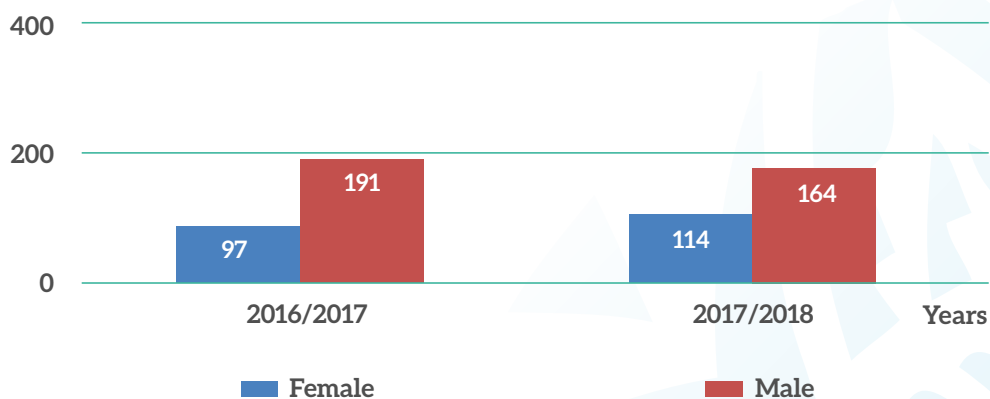


4.1.3 A total of 76 staff postings and transfers were facilitated in both financial years i.e 47 in 2016/17 and 29 in 2017/2018.

4.1.4 Gender Composition

The Ministry's gender composition in the 2 financial years changed with the number of Male Officers reduced by 14% in the 2017/2018 period while female officers increased by 17% in the same period.

Graph 12 : Gender Composition



4.5 Staff Training

The Ministry recognises the need for ongoing staff training and development. Training opportunities were provided for staff to acquire skills and knowledge needed to perform their assigned roles and develop their potential to meet the required skill sets and future needs of the Ministry.

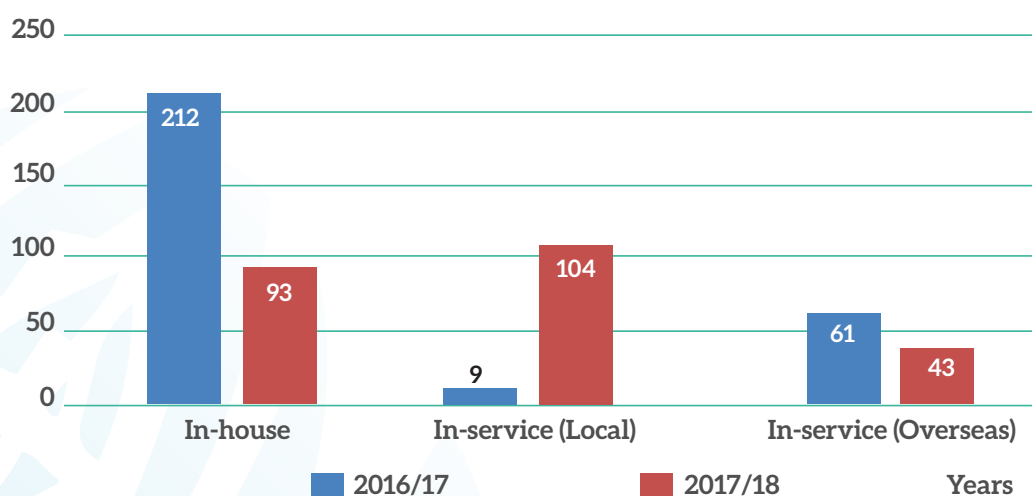
The Ministry ensured that annual training plans were developed and executed to meet its training needs.



Sealegs Training - July 2017

More than 85% staff attended trainings in the 2 financial years. More staff trainings were facilitated through in-house programmes in the 2016/2017 financial years while in the 2017/2018 financial years more staff attended in-service programmes

Graph 13 : Staff Training



Five (5) Officers were on full-time study leave during the 2 financial years and graduated with the following qualifications:

- Two (2) Officers graduated with Post Grad Diploma in Rural Development from Hyderabad, India,
- Two (2) graduated with Master's Degree in Disaster Risk Reduction and Management, from Thailand; and
- One (1) graduated with Masters in Disaster Management Policy Programme from Japan.



Staff Induction Training - May 2018

4.6 Staff - Team Building Exercises

The Ministry organized end of the year sports events in both financial years where all Divisions participated in a church service, sports activities followed by dinner to commemorate the end of the calendar year. The event in December 2016 was held in Suva and hosted by the Ministry HQ while the event in 2017 was held in Lautoka and hosted by the Commissioner Western Division's office.



The overall winner for the 2016 Sports Day - Team Northern Division

4.7 Obituary Record

Four (4) staff passed away during these reporting periods.

- Mr. Niumaia Masere was serving as the District Officer Rotuma during the time of his demise. He had served in the Ministry for more than ten (10) years.
- Ms. Kesaia Naiqama was the Government Service Center (GSC) Manager at the Central Division during the time of her unfortunate demise. She had served in the Ministry for seven (7) years.
- Ms. Lanieta Sanavitilevu was the (AO) Training at Headquarters during the time of her unfortunate demise. She had served in the Ministry for over 24 years.
- Ms. Sereima Bale was the Assistant District Officer Savusavu. She had served in the Ministry for over 15 years before her unfortunate demise.

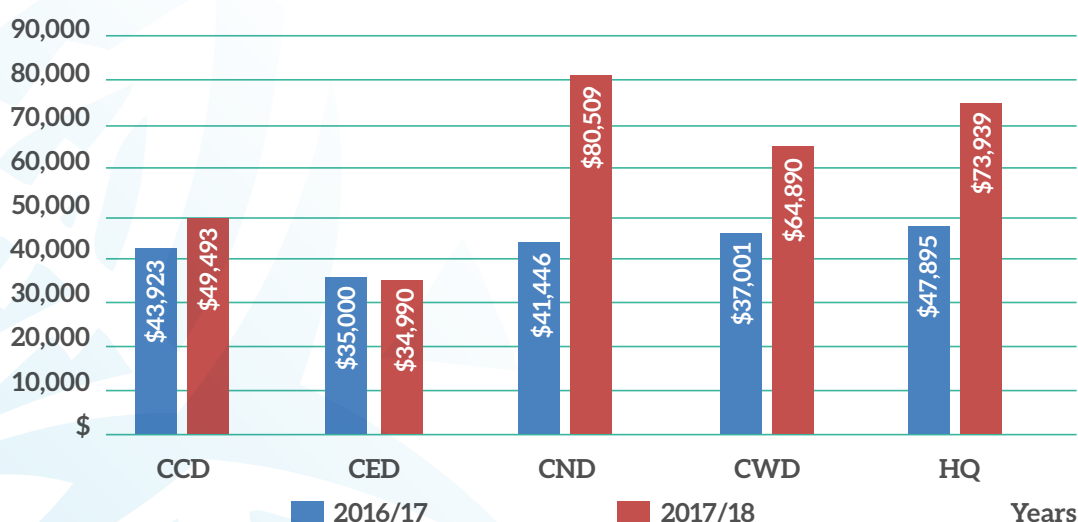


4.8 Vehicle Management

The Ministry had a total of 45 vehicles during the two (2) financial periods with twenty eight (28) leased vehicles and seventeen (17) government owned vehicles.

Fuel costs increased by 2.6% in 2017/2018 and this was mainly due to the increase in projects implemented and activities undertaken under the Rural Housing Assistance scheme, Project preparatory Works, PSIP projects and transportation and logistics activities during the 2018 Rural Development Symposium held in Nadi in April 2018.

Graph 14 : Fuel consumption



FINANCIAL MANAGEMENT



5.1 Accounts

5.1.1 The Ministry's Agency Financial Statements (AFS) and Annual Procurement Plan (APP) for the 2 Financial years were completed and submitted to the respective Agencies on the required timeline.

The Ministry implemented deliverables and indicators such as reconciliation of accounts, procurement, managing of Trust Accounts, Virement and RIE applications, the conduct of the Annual Board of Survey, processing of staff salaries and wages and managing of Ministry's budget and utilisation. These processes are facilitated at HQ and at the Divisional level.

The Ministry took all efforts to address all queries raised by the Auditors. These included the review of Capital Projects SOP, issuance of Internal Circulars, monitoring and evaluation and review of processes.

5.2 Agency Financial Statements

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: 427

03 April 2018

The Honourable Inia Seruiratu
Minister for Rural & Maritime Development and National Disaster Management
1 Knolly Street
SUVA

Dear Honourable Seruiratu

**MINISTRY OF RURAL & MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT**
AUDITED FINANCIAL STATEMENTS AUDIT FOR THE YEAR ENDED 31 JULY 2017

The audited financial statements for the Ministry of Rural & Maritime Development and National Disaster Management for the year ended 31 July 2017 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. Meleti Bainimarama, The Permanent Secretary, Ministry of Rural & Maritime Development and National Disaster Management, 1 Knolly Street, Suva.

Encl.

**MINISTRY OF RURAL AND MARITIME DEVELOPMENT
AND NATIONAL DISASTER MANAGEMENT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017



MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	3
MANAGEMENT CERTIFICATE	5
STATEMENT OF RECEIPTS AND EXPENDITURE.....	6
APPROPRIATION STATEMENT	7
STATEMENT OF LOSSES	8
TRUST FUND ACCOUNT PROVINCIAL DEVELOPMENT – STATEMENT OF RECEIPTS AND PAYMENTS	9
TRUST FUND ACCOUNT PM'S DISASTER & REHABILITATION – STATEMENT OF RECEIPTS AND PAYMENTS	10
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	11



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 RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER MANAGEMENT

I have audited the financial statements of the Ministry of Rural and Maritime Development and National Disaster Management, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2017, and the notes to the financial statements including a summary of significant accounting policies.

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

Basis for Qualified Opinion

An unreconciled variance of \$197,953 exists between the total revenue recorded in the general ledger and subsidiary revenue records maintained by the Ministry. Consequently, I could not confirm the accuracy and completeness of the operating revenue of \$1,417,065.

Without further qualifying the opinion above, I draw attention to the following:

Internal controls over revenue, expenses and trust fund accounts were generally found to be weak and if not addressed promptly may result in material misstatements and possible financial losses in the near future.

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

Management's Responsibilities for the Financial Statements

The management of the Ministry of Rural and Maritime Development and National Disaster Management is responsible for the preparation of the financial statements in accordance with the Financial Management Act, Finance Instructions 2010 and 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.

Auditor's Responsibilities (Continued)

Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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



Ajay Nand
AUDITOR-GENERAL

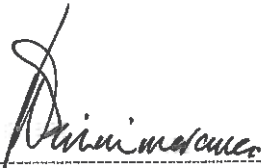


Suva, Fiji
03 April 2018

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2017

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Rural and Maritime Development and National Disaster Management for the year ended 31 July 2017; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.



Meleti Bainimarama

Permanent Secretary for Rural and Maritime
Development and National Disaster Management



Amele Vukeiono

Acting Principal Accounts Officer

Date: 21/3/2018

Date: 21/3/2018

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2017

	Notes	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
State Revenue			
License Liquor	3 (a)	815,110	388,154
License Trading		404,962	270,588
Other State Revenue	3 (b)	120,424	30,941
Total State Revenue		1,340,496	689,683
Agency Revenue			
Miscellaneous Revenue		76,569	105,056
Total Revenue		1,417,065	794,739
EXPENDITURE			
Operating Expenditure			
Established Staff	3 (c)	5,422,886	3,845,814
Government Wage Earners		1,477,614	1,297,563
Travel & Communication		510,798	391,995
Maintenance & Operations		981,759	871,284
Purchase of Goods & Services		887,833	729,762
Operating Grants and Transfers		398,507	307,089
Special Expenditure	3 (d)	824,755	14,440,892
Total Operating Expenditure		10,504,152	21,884,399
Capital Expenditure			
Capital Construction	3 (e)	1,570,783	795,898
Capital Purchase		198,834	192,740
Capital Grants & Transfer	3 (f)	11,566,666	6,672,186
Total Capital Expenditure		13,336,283	7,660,824
Value Added Tax		470,334	1,858,671
TOTAL EXPENDITURE		24,310,769	31,403,894

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2017

SEG	Item	Budget Estimate	Changes (Note 6)	Revised Estimate a	Actual Expenditure b	Carry Over	Lapsed Appropriation (a-b)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Operating Expenditure						
1	Established Staff	5,461,409	---	5,461,409	5,422,886	---	38,523
2	Government Wage Earners	1,546,577	(27,921)	1,518,656	1,477,614	---	41,042
3	Travel & Communication	435,160	97,862	533,022	510,798	---	22,224
4	Maintenance & Operations	975,900	67,682	1,043,582	981,759	---	61,823
5	Purchase of Goods & Services	1,140,110	(108,943)	1,031,167	887,833	---	143,334
6	Operating Grants & Transfers	683,504	---	683,504	398,507	---	284,997
7	Special Expenditure	1,320,460	(28,680)	1,291,780	824,755	---	467,025
	Total Operating Expenditure	11,563,120	---	11,563,120	10,504,152	---	1,058,968
	Capital Expenditure						
8	Capital Construction	2,340,000	---	2,340,000	1,570,783	---	769,217
9	Capital Purchase	200,000	---	200,000	198,834	---	1,166
10	Capital Grants & Transfers	17,281,518	---	17,281,518	11,566,666	---	5,714,852
	Total Capital Expenditure	19,821,518	---	19,821,518	13,336,283	---	6,485,235
13	Value Added Tax	577,100	---	577,100	470,334	---	106,766
	TOTAL EXPENDITURE	31,961,738	---	31,961,738	24,310,769	---	7,650,969

**MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT**
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2017

Loss of Money

The Ministry of Rural and Maritime Development and National Disaster Management did not record loss of money for the year ended 31 July 2017.

Loss of Revenue

The Ministry of Rural and Maritime Development and National Disaster Management did not record loss of revenue for the year ended 31 July 2017.

Loss (other than money)

There was no loss of fixed assets recorded for the year ended 31 July 2017. However, items worth \$226,011 were approved for write off by the Permanent Secretary for Ministry of Economy following the 2017 Board of Survey.

Fixed Asset Category	Amount (\$)
Office Equipment	192,201
Furniture and fittings	33,810
Total	226,011

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT

TRUST FUND ACCOUNT PROVINCIAL DEVELOPMENT - STATEMENT OF RECEIPTS
AND PAYMENTS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
Tender Deposits		---	64,556
Rural Housing Deposits Scheme II		411,314	166,245
Unclaimed Wages		---	14,403
Rural Housing Scheme I/PM Relief & Rehab Committee		72,324	40,289
Special Purpose Trust Account - Vatukoula		163,038	---
One - Third Self Help Projects		108,739	31,770
Cities Trust		999	---
Total Receipts		756,414	317,263
PAYMENTS			
Tender Deposit		---	89,039
Rural Housing Deposits Scheme II		210,220	161,438
Rural Housing Scheme I /PM Relief & Rehab Committee		71,819	59,817
Special Purpose Trust Account - Vatukoula		---	---
One - Third Self Help Projects		86,906	61,165
Total Payments		368,945	371,459
Net Surplus/(Deficit)		387,469	(54,196)
Add Balance as at 1 August		1,871,135	1,925,331
Closing Balance as at 31 July 2017	5	2,258,604	1,871,135

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT

TRUST FUND ACCOUNT PM'S DISASTER & REHABILITATION - STATEMENT OF
RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	12 months 2017 (\$)	7 months 2016 (\$)
RECEIPTS			
Prime Minister's Office Disaster & Rehabilitation Trust Fund		1,924,774	10,898,368
Total Receipts		<u>1,924,774</u>	<u>10,898,368</u>
PAYMENTS			
Prime Minister's Office Disaster & Rehabilitation Trust Fund	3 (g)	230,916	12,461,703
Total Payments		<u>230,916</u>	<u>12,461,703</u>
Net Surplus/(Deficit)		1,693,858	(1,563,335)
 Add Balance as at 1 August		 1,123,701	 2,687,036
 Closing Balance as at 31 July 2017	 5	 <u>2,817,559</u>	 <u>1,123,701</u>

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER MANAGEMENT

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

NOTE 1: REPORTING ENTITY

The Ministry of Rural and Maritime Development and National Disaster Management manages and coordinates Government's rural and maritime development programs. Guided by the socio-economic rights enshrined in the Fijian Constitution, the Ministry is focused on providing Fijians with the things they need to empower themselves and support their families.

The Ministry's programs are targeted at generating economic growth and improving living standards in Fiji's rural and maritime communities. This includes self-help programs and work on non-cane access roads, maritime roads and housing assistance.

The Ministry runs the Committee for the Better Utilization of Land which is tasked to help landowners put their land to productive use.

The Ministry also provides support services to rural, peri-urban and maritime communities such as registration of births, deaths, marriages, issuing licences and collecting licence and permit fees.

The Ministry is also responsible for the implementation of the National Disaster Management Strategy as required by the 1995 National Disaster Management Plan and the National Disaster Management Act 1998, covering disaster prevention, mitigation, preparedness, response, emergency operations, relief and rehabilitation. Correspondingly, the Ministry implements climate change mitigation programmes.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting/ Presentation

In accordance with Government of the Republic of Fiji ("Government") accounting policies, the financial statements of the Ministry is prepared under the 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 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 revenue and expenses are exclusive of Value Added Tax (VAT). 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 the sub-contractors for expenses incurred.

**MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT**
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2017

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

The VAT payment as per the Statement of Receipts and Expenditures relates to VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Comparative Figures

The Ministry changed its reporting period from 1 August to 31 July as per the Ministry of Economy circular number 04/16 due to a change in the whole of government reporting period.

Hence, the 2016 financial reporting period is for 7 months effective from 1 January 2016 to 31 July 2016. In comparison, the 2017 financial reporting period is for 12 months effective from 1 August 2016 to 31 July 2017. This was provided for in the Financial Management (Amendment) Act 2016.

(d) Revenue Recognition

The District Administration Offices collects fees on behalf of other government agencies for business and liquor licences and registration of marriage/births fees.

Revenue is recognised when cash is actually received by the Ministry.

NOTE 3: SIGNIFICANT VARIATIONS

- a) The License Liquor revenue increased by \$426,956 or 110% in 2017 compared to 2016 because of the renewal of license fee which is prepared on an annual basis and processed during the month of October. Thus all renewal of liquor license was received during the last quarter of the calendar year for 2017 rather than 2016.
- b) Other State Revenue increased by \$89,483 or 289% in 2017 compared to 2016 due to the renewal of license fees which is processed at the end of the calendar year rather than the financial year.
- c) The Established Staff Expenditure increased by \$1,577,072 or 41% in 2017 compared to 2016 due to the payment to officers' salaries for outstanding leave and long service leave. The Ministry was included in Tranche 1 for the Job Evaluation Exercise.
- d) The Special Expenditure decreased by \$13,616,137 or 94% in 2017 compared to 2016 because the provisions in 2016 had increased dramatically compared to 2017 through virement of funds. This transfer of funds resulted in the increase in funds and expenditure for 2016 for Tropical Cyclone Winston operations.

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2017

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

- e) The Capital Construction Expenditure increased by \$774,885 or 97% in 2017 compared to 2016 because of the change in financial year from twelve months in 2017 against the seven months in 2016. Thus, in 2017 about 43 projects were implemented in the Non Cane Access Road program as compared to 29 projects implemented in 2016 which resulted in the huge increase.
- f) The Capital Grants & Transfer Expenditure increased by \$4,894,480 or 73% in 2017 compared to 2016 due to the change in financial year. The total number of capital projects implemented in 2017 averaged to 219 compared to 130 projects in 2016 which increased the utilisation of funds. In 2017, payments were inclusive of 1st and 2nd quarter projects except in 2016 where only the 1st quarter projects were implemented due to the change in financial year.
- g) The trust payments includes overtime payments made to officers that worked after hours during the TC Winston DISMAC operations and payment for food rations for those victims of Qamea Island TD04F landslide.

NOTE 4: SIGNIFICANT SAVINGS

Significant Savings for the financial year ended 31 July 2017 are as follows:

No.	Expenditure	Revised Budget (\$)	Actual Expenditure (\$)	Savings (\$)	Percentage Savings (%)
(a)	Operating Grants & Transfers	683,504	398,507	284,997	42
(b)	Special Expenditure	1,291,780	824,755	467,025	36
(c)	Capital Construction	2,340,000	1,570,783	769,217	33
(d)	Capital Grants & Transfers	17,281,518	11,566,666	5,714,852	33

- (a) The savings of \$284,997 under the Operating Grants and Transfers allocation was mainly due to the non-payment of District Advisory Councillors (DAC) allowances during the year for non-submission of reports as the Terms of Reference stipulates that payment of allowance for DAC members can only be effected after the DAC member' reports are received and verified by the Provincial Administrators and District Officers.
- (b) The Emergency Water Supplies fund was not fully utilized in 2016/2017 because there was no major drought recorded during the year. This resulted in a saving of \$467,025 under the Special Expenditure (SEG 7) allocation as the fund is maintained at Headquarters and is only distributed to the Divisional Commissioners upon request.

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 4: SIGNIFICANT SAVINGS (*Continued...*)

- (c) The savings of \$769,217 under the Capital Construction (SEG 8) allocation resulted from the underutilization of funds appropriated for the Nacula Health Centre project and the non-execution of the Kubulau Government Station (Construction of Post Office and Staffs Quarters) project due to the delay in the tender process.
- (d) There was a saving of \$5,714,842 under the Capital Grants and Transfers allocation. This resulted from the following:
- the underutilization of budgeted funds allocated to each divisions for Project Preparatory Works for those projects intended to be carried out in the 2017/2018 financial year;
 - the non-execution of the various appropriated Divisional Development Projects due to the delay in the tender processes; and
 - the non-execution of the various Disaster Risk Rehabilitation Projects in the respective divisions due to the delay in submission of project documents such as plans and costing to facilitate the tender process and submission of RIE from the divisions and for some projects, no bids were received after the projects were placed on tender.

NOTE 5: TRUST FUND ACCOUNT

The Trust Fund Account with the Ministry comprise of the following funds which are all kept in one bank account except for the Prime Minister's Office Disaster & Rehabilitation Trust Fund Account which has its own bank account :

- Tender Deposit Trust Fund: for tender deposits which are refunded to unsuccessful tenderers or at the expiry of the contracted tender;
- Rural Housing Deposit Trust Fund Account: a scheme where rural dwellers are assisted by Government in the building of their homes and they are required to meet one third of the cost;
- Unclaimed Wages Trust Fund Account: is where the wages of an employee is kept and this is then paid to the legal beneficiaries in the event of the death of a worker;
- PM Relief and Rehabilitation Trust Fund Account: is where the rural dwellers deposit the full cost of building materials for their houses. Government would negotiate and get cheaper quotes for the materials and also provide free transportation for the delivery of the materials;
- Special Purpose Trust Account – Vatukoula: is to cater for Vatukoula Housing Clients Assistance which consists of the 2/3 Government Contribution;

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER MANAGEMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 5: TRUST FUND ACCOUNT (Continued...)

- One-Third Self Help Trust Fund Account: the Ministry assist communities in their self-help projects which consist of the Government contributing two third of the cost whilst the community provides one third; and.
- Prime Minister's Office Disaster & Rehabilitation Trust Fund Account: money from the Ministry's annual budget (usually \$1m) and donations from the public or other countries during times of disasters.

The Trust Fund Account Statement of Receipts and Payments is now been presented separately in the current year for transparency purposes and to correctly reflect the trust monies received and paid out of the two separate bank accounts maintained for the various trust funds being administered by the Ministry. In comparison to the prior year, a consolidated statement was presented for both the accounts.

NOTE 6: APPROPRIATION CHANGES

There were no redeployments of the Ministry's funds during the year. Other movements were made through virements as follows:

Virement No.	From	To	Amount (\$)	Approved By
DV1801	SEG 7	SEG 7	200,000	PS - Rural and Maritime
DV1802	SEG 10	SEG 10	1,794,957	PS - Rural and Maritime
DV1803	SEG 10	SEG 10	371,554	PS - Rural and Maritime
DV1804	SEG 10	SEG 10	126,063	PS - Rural and Maritime
DV1805	SEG 5	SEG 5	20,000	PS - Rural and Maritime
DV1806	SEG 8	SEG 8	988,109	PS - Rural and Maritime
DV1807	SEG 8	SEG 8	92,491	PS - Rural and Maritime
DV1808	SEG 4	SEG 4	6,000	PS - Rural and Maritime
DV1809	SEG 4	SEG 4	1,080	PS - Rural and Maritime
DV1810	SEG 4	SEG 4	756	PS - Rural and Maritime
DV1811	SEG 5	SEG 5	1,344	PS - Rural and Maritime
DV1812	SEG 4	SEG 4	12,000	PS - Rural and Maritime
DV1813	SEG 4	SEG 4	1,200	PS - Rural and Maritime
DV1814	SEG 5	SEG 5	720	PS - Rural and Maritime
DV1815	SEG 5	SEG 5	3,600	PS - Rural and Maritime
DV1816	SEG 5	SEG 5	3,600	PS - Rural and Maritime
DV1817	SEG 5	SEG 5	40,000	PS - Rural and Maritime
DV1818	SEG 10	SEG 10	127,370	PS - Rural and Maritime
DV1819	SEG 8	SEG 8	417,516	PS - Rural and Maritime
DV1820	SEG 10	SEG 10	70,446	PS - Rural and Maritime
DV1821	SEG 10	SEG 10	698,606	PS - Rural and Maritime
DV1822	SEG 8	SEG 8	64,935	PS - Rural and Maritime

MINISTRY OF RURAL AND MARITIME DEVELOPMENT AND NATIONAL DISASTER
MANAGEMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 6: APPROPRIATION CHANGES (Continued...)

Virement No.	From	To	Amount (\$)	Approved By
DV1823	SEG 10	SEG 10	104,857	PS – Rural and Maritime
DV1824	SEG 5	SEG 4	5,713	PS – Rural and Maritime
DV1825	SEG 5	SEG 4	5,068	PS – Rural and Maritime
DV1826	SEG 5	SEG 5	4,000	PS – Rural and Maritime
DV1827	SEG 5	SEG 3	12,870	PS – Rural and Maritime
DV1828	SEG 2	SEG 4	8,505	PS – Rural and Maritime
DV1829	SEG 5	SEG 4	18,000	PS – Rural and Maritime
DV1830	SEG 5	SEG 7	1,320	PS – Rural and Maritime
DV1831	SEG 5	SEG 4	5,000	PS – Rural and Maritime
DV1832	SEG 5	SEG 4	7,000	PS – Rural and Maritime
DV1833	SEG 2	SEG 3	3,604	PS – Rural and Maritime
DV1834	SEG 2	SEG 4	5,665	PS – Rural and Maritime
DV1835	SEG 5	SEG 4	5,860	PS – Rural and Maritime
DV1836	SEG 5	SEG 4	5,568	PS – Rural and Maritime
DV1837	SEG 2	SEG 3	4,272	PS – Rural and Maritime
DV1838	SEG 4 SEG 5	SEG 4	1,305	PS – Rural and Maritime
DV1839	SEG 2	SEG 4	5,874	PS – Rural and Maritime
DV1840	SEG 4	SEG 3	5,500	PS – Rural and Maritime
DV1841	SEG 5 SEG 7	SEG 3	71,616	PS – Rural and Maritime
V18001	SEG 1	SEG 1	4,980	PS – Ministry of Economy
V18002	SEG 2	SEG 2	27,793	PS – Ministry of Economy
V18003	SEG 2	SEG 2	1,945	PS – Ministry of Economy
V18004	SEG 2	SEG 2	449	PS – Ministry of Economy
V18005	SEG 2	SEG 2	3,000	PS – Ministry of Economy
V18006	SEG 2	SEG 2	4,000	PS – Ministry of Economy
V18007	SEG 2	SEG 2	15,000	PS – Ministry of Economy
V18008	SEG 2	SEG 2	2,500	PS – Ministry of Economy
V18009	SEG 2	SEG 2	15,000	PS – Ministry of Economy



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

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing

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



File: 427

09 April 2019

The Honourable Mahendra Reddy
Minister for Rural And Maritime Development
1 Knolly Street
SUVA

Dear Honourable Reddy

MINISTRY OF RURAL AND MARITIME DEVELOPMENT
AUDITED FINANCIAL STATEMENTS AUDIT FOR THE YEAR ENDED 31 JULY 2018

The audited financial statements for the Ministry of Rural And Maritime Development 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. Meleti Bainimarama, The Permanent Secretary, Ministry of Rural And Maritime Development, 1 Knolly Street, Suva.

Encl.

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018



MINISTRY OF RURAL AND MARITIME DEVELOPMENT

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
TRUST FUND ACCOUNT PROVINCIAL DEVELOPMENT – STATEMENT OF RECEIPTS AND PAYMENTS	9
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	10

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 RURAL AND MARITIME DEVELOPMENT

I have audited the financial statements of the Ministry of Rural and Maritime Development, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2018, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects on the matters described in the Basis of Qualified Opinion paragraph, the accompanying financial statements for the financial year ended 31 July 2018 are prepared, in all material respects, in accordance with the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instruction 2016.

Basis for Qualified Opinion

Included in the Provincial Trust Fund Accounts are funds received for Rural Housing Scheme 1 (\$1,173,893) and one third self-help project (\$553,611). However, the Ministry did not maintain the detailed breakdown listing of these funds held. Hence, I was unable to establish the status and accuracy of the balance stated.

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

Management's Responsibilities for the Financial Statements

The management of the Ministry of Rural and Maritime Development is responsible for the preparation of the financial statements in accordance with the Financial Management Act, Finance Instructions 2010 and 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the Ministry of Rural and Maritime Development 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
09 April 2019



MINISTRY OF RURAL AND MARITIME DEVELOPMENT

MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2018

We certify that these financial statements:

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



Meleti Bainimarama

Permanent Secretary for Rural and Maritime
Development



Amele Vukeiono

Acting Principal Accounts Officer

Date: 1/3/2019

Date: 01/4/2019

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

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

	Notes	2018 (\$)	2017 (\$)
RECEIPTS			
State Revenue			
License Liquor		841,127	815,110
License Trading		508,262	404,962
Other State Revenue		52,806	120,424
Total State Revenue	3 (a)	1,402,195	1,340,496
Agency Revenue			
Miscellaneous Revenue		62,473	76,569
Total Revenue		1,464,668	1,417,065
EXPENDITURE			
Operating Expenditure			
Established Staff		5,545,564	5,422,886
Government Wage Earners		1,578,461	1,477,614
Travel & Communication		533,916	510,798
Maintenance & Operations		976,535	981,759
Purchase of Goods & Services		891,657	887,833
Operating Grants and Transfers	3 (b)	572,074	398,507
Special Expenditure		743,175	824,755
Total Operating Expenditure		10,841,382	10,504,152
Capital Expenditure			
Capital Construction	3 (c)	2,120,681	1,570,783
Capital Purchase		167,943	198,834
Capital Grants & Transfer	3 (d)	2,976,906	11,566,666
Total Capital Expenditure		5,265,530	13,336,283
Value Added Tax		483,004	470,334
TOTAL EXPENDITURE		16,589,916	24,310,769

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 JULY 2018

SEG	Item	Budget Estimate	Changes (Note 6)	Revised Estimate a	Actual Expenditure b	Carry Over	Lapsed Appropriation (a-b) Note 4
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	Operating Expenditure						
1	Established Staff	5,772,825	(11,186)	5,761,639	5,545,564	---	216,075
2	Government Wage Earners	1,621,899	26,186	1,648,085	1,578,461	---	69,624
3	Travel & Communication	424,660	145,471	570,131	533,916	---	36,215
4	Maintenance & Operations	931,900	69,455	1,001,355	976,535	---	24,820
5	Purchase of Goods & Services	961,572	(991)	960,581	891,657	---	68,924
6	Operating Grants & Transfers	780,030	(190,135)	589,895	572,074	---	17,821
7	Special Expenditure	1,284,000	(38,800)	1,245,200	743,175	---	502,025
	Total Operating Expenditure	11,776,886	---	11,776,886	10,841,382	---	935,504
	Capital Expenditure						
8	Capital Construction	3,680,000	(1,200,000)	2,480,000	2,120,681	---	359,319
9	Capital Purchase	200,000	---	200,000	167,943	---	32,057
10	Capital Grants and Transfers	4,150,000	(500,000)	3,650,000	2,976,906	---	673,094
	Total Capital Expenditure	8,030,000	(1,700,000)	6,330,000	5,265,530	---	1,064,470
13	Value Added Tax	673,400	(108,000)	565,400	483,004	---	82,396
	TOTAL EXPENDITURE	20,480,286	(1,808,000)	18,672,286	16,589,916	---	2,082,370

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

STATEMENT OF LOSSES

FOR THE YEAR ENDED 31 JULY 2018

Loss of Money

The Ministry of Rural and Maritime Development did not record loss of money for the year ended 31 July 2018.

Loss of Revenue

The Ministry of Rural and Maritime Development did not record loss of revenue for the year ended 31 July 2018.

Loss (other than money)

There was no loss of fixed assets recorded for the year ended 31 July 2018. However, items worth \$96,727 were approved for write off by the Permanent Secretary for Ministry of Economy following the 2018 Board of Survey.

Fixed Asset Category	Amount (\$)
Office Equipment	52,326
Supplies & Stores	30,123
Furniture and fittings	14,278
Total	96,727

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

TRUST FUND ACCOUNT PROVINCIAL DEVELOPMENT – STATEMENT OF RECEIPTS
AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 (\$)	2017 (\$)
RECEIPTS			
Rural Housing Deposits Scheme II		675,962	411,314
One - Third Self Help Projects		194,879	108,739
Rural Housing Scheme I/PM Relief & Rehab Committee		48,669	72,324
Special Purpose Trust Account - Vatukoula		40,226	163,038
Cities Trust		59	999
Total Receipts		<u>959,795</u>	<u>756,414</u>
PAYMENTS			
Rural Housing Deposits Scheme II		686,408	210,220
One – Third Self Help Projects		143,535	86,906
Special Purpose Trust Account – Vatukoula		71,535	---
Rural Housing Scheme I /PM Relief & Rehab Committee		32,446	71,819
Total Payments		<u>933,924</u>	<u>368,945</u>
Net Surplus		25,871	387,469
Add Balance as at 1 August		2,265,927	1,878,458
Closing Balance as at 31 July 2018	5	<u><u>2,291,798</u></u>	<u><u>2,265,927</u></u>

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

NOTE 1: REPORTING ENTITY

The Ministry of Rural and Maritime Development manages and coordinates Government's rural and maritime development programs. Guided by the socio-economic rights enshrined in the Fijian Constitution, the Ministry is focused on providing Fijians with the assistance they need to empower themselves and support their families.

The Ministry's programs are targeted at generating economic growth and improving living standards in Fiji's rural and maritime communities. This includes self-help programs and work on non-cane access roads, maritime roads and housing assistance.

The Ministry also provides support services to rural, peri-urban and maritime communities such as registration of births, deaths, marriages, issuing licences and collecting licence and permit fees.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting / Presentation

In accordance with Government of the Republic of Fiji ("Government") accounting policies, the financial statements of the Ministry is prepared under the 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 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 revenue and expenses are exclusive of Value Added Tax (VAT). 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 the sub-contractors for expenses incurred.

The VAT payment as per the Statement of Receipts and Expenditures relates to VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Revenue Recognition

The District Administration Offices collects fees on behalf of other government agencies for business and liquor licences and registration of marriage/births fees.

Revenue is recognised when cash is actually received by the Ministry.

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2018

(d) Comparative Figures

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

In 2018, the Prime Ministers Disaster & Rehabilitation Trust Fund Account was transferred to Head 14 Ministry of Disaster Management and Metrological Services.

NOTE 3: SIGNIFICANT VARIATIONS

- a) The state revenue increased by \$61,699 or 4.6% in 2018 compared to 2017 because of improved renewal of license fee and also new registration made during the year.
- b) The Operating Grants and Transfers Expenditures increased by \$173,567 or 44% in 2018 compared to 2017 due to the increase in provisions for the District Advisory Councillors.
- c) The Capital Construction Expenditure increased by \$549,898 or 35% in 2018 compared to 2017 due to the increase in value of projects undertaken for the Community Access Roads, Footpaths and Footbridges programs.
- d) The Capital Grants and Transfer Expenditures decreased by \$8,589,760 or 74% in 2018 compared to 2017. The decrease in provision in 2018 was due to the transfer of the two programs; the Committee on Better Utilisation of Land [CBUL] was transferred to the Ministry of Agriculture and Disaster Rehabilitation Fund and Disaster Risk & Climate Mitigation was transferred to Ministry of Disaster Management and Meteorological Services.

NOTE 4: SIGNIFICANT SAVINGS

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

No.	Expenditure	Revised Budget (\$)	Actual Expenditure (\$)	Savings (\$)	Percentage Savings (%)
(a)	Special Expenditure	1,245,200	743,175	502,025	40
(b)	Capital Construction	2,480,000	2,120,681	359,319	14
(c)	Capital Grants & Transfers	3,650,000	2,976,906	673,094	18

- (a) The savings of \$502,025 under the Special Expenditure (SEG 7) allocation resulted from the underutilisation of funds in one of its component; the Emergency Water Supplies budget because there was no major drought recorded in the financial year 2017-2018. The Emergency Water Supplies funding is maintained at Headquarters and only distributed to the Divisional Commissioners upon request.

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2018

NOTE 4: SIGNIFICANT SAVINGS (*Continued...*)

- (b) The savings of \$359,319 under the Capital Construction (SEG 8) allocation resulted from the underutilisation of funds appropriated for;
- the Vunidawa Government Station project due to delay in preparatory work and tender process; and
 - the Community Access Roads, Footpaths and Footbridges allocation for Headquarters and Eastern Division.
- (c) There was a saving of \$673,094 under the Capital Grants & Transfers (SEG 10) allocation which resulted in the following:
- The underutilisation of funds allocated to each Division for the Project Preparatory Works intended to be carried out in the 2018-2019 financial year.
 - The underutilisation of funds for Wainua Government Station was mainly due to the delay in the preparatory works and tender process.

NOTE 5: TRUST FUND ACCOUNT

The Trust Fund Account with the Ministry comprise of the following funds which are all kept in one bank account:

- Tender Deposit Trust Fund: for tender deposits which are refunded to unsuccessful tenderers or at the expiry of the contracted tender;
- Rural Housing Deposit Trust Fund Account: a scheme where rural dwellers are assisted by Government in the building of their homes and they are required to meet one third of the cost;
- Unclaimed Wages Trust Fund Account: is where the wages of an employee is kept and this is then paid to the legal beneficiaries in the event of the death of a worker;
- PM Relief and Rehabilitation Trust Fund Account: is where the rural dwellers deposit the full cost of building materials for their houses. Government would negotiate and get cheaper quotes for the materials and also provide free transportation for the delivery of the materials;
- Special Purpose Trust Account – Vatukoula: is to cater for Vatukoula Housing Clients Assistance which consists of the 2/3 Government Contribution;

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2018

NOTE 5: TRUST FUND ACCOUNT (Continued...)

- One-Third Self Help Trust Fund Account: the Ministry assist communities in their self-help projects which consist of the Government contributing two third of the cost whilst the community provides one third ;
- The Trust Fund Account Statement of Receipts and Payments is presented separately for transparency purposes and to correctly reflect the trust monies received and paid out from the bank account maintained for the various trust funds being administered by the Ministry.

NOTE 6: APPROPRIATION CHANGES

In 2018, there was a redeployment of funds \$1,808,000 from the Ministry's budget to Head 50 - Miscellaneous Services. The redeployment was approved through Cabinet Decision 111/2018. The details are as follows:

SEG	Description	Amount (\$)
8	Vunidawa Government Station	500,000
8	Wainikoro Government Station	700,000
10	Wainua Government Station	500,000
13	VAT portion of SEG 8	108,000
Total		1,808,000

Other movements were made through virements as follows:

Virement No.	From	Amount (\$)	To	Amount (\$)	Approved By
DV1801	SEG 10	625,395	SEG 10	625,395	PS - Rural and Maritime
DV1802	SEG 10	1,024,949.35	SEG 10	1,024,949.35	PS - Rural and Maritime
DV1803	SEG 8	1,239,164.01	SEG 8	1,239,164.01	PS - Rural and Maritime
DV1804	SEG 4	10,506.52	SEG 4	10,506.52	PS - Rural and Maritime
DV1805	SEG 10	405,000	SEG 10	405,000	PS - Rural and Maritime
DV1806	SEG 10	270,000	SEG 10	270,000	PS - Rural and Maritime
DV1807	SEG 8	420,000	SEG 8	420,000	PS - Rural and Maritime
DV1808	SEG 7	14,800	SEG 3	14,800	PS - Rural and Maritime
DV1809	SEG 7	200,000	SEG 7	200,000	PS - Rural and Maritime
DV1810	SEG 6	30,936.40	SEG 3	16,200	PS - Rural and Maritime
			SEG 4	11,496.40	
			SEG 5	3,240	
DV1811	SEG 5	3,500	SEG 3	27,500	PS - Rural and Maritime
	SEG 7	24,000			
DV1812	SEG 6	69,058.51	SEG 3	38,469.45	PS - Rural and Maritime
			SEG 4	19,189.06	

MINISTRY OF RURAL AND MARITIME DEVELOPMENT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 JULY 2018

NOTE 6: APPROPRIATION CHANGES (Continued...)

Virement No.	From	Amount (\$)	To	Amount (\$)	Approved By
			SEG 5	11,400	
DV1813	SEG 5	3,000	SEG 5	3,000	PS - Rural and Maritime
DV1814	SEG 5	2,000	SEG 3	2,000	PS - Rural and Maritime
DV1815	SEG 5	9,432	SEG 4	161	PS - Rural and Maritime
			SEG 5	9,271	
DV1816	SEG 6	17,007	SEG 3	12,117	PS - Rural and Maritime
			SEG 4	4,890	
DV1817	SEG 6	58,132.39	SEG 3	20,380	PS - Rural and Maritime
			SEG 4	37,752.39	
DV1818	SEG 4	2,000	SEG 3	2,000	PS - Rural and Maritime
DV1819	SEG 5	23,472	SEG 3	15,230	PS - Rural and Maritime
			SEG 4	8,242	
DV1820	SEG 4	7,236	SEG 4	7,249.07	PS - Rural and Maritime
	SEG 5	13.07			
DV1821	SEG 3	3,227	SEG 5	13,517	PS - Rural and Maritime
	SEG 4	10,290			
V18001	SEG 2	15,000	SEG 2	15,000	PS - Ministry of Economy
V18002	Cancelled				
V18003	SEG 6	15,000	SEG 2	15,000	PS - Ministry of Economy
V18004	SEG 1	187,049.62	SEG 1	175,865.05	PS - Ministry of Economy
	SEG 2	61,872.48	SEG 2	73,057.05	

OUR DIVISIONAL OFFICE AROUND FIJI

