



OFFICE *of the* AUDITOR GENERAL  
*Republic of Fiji*

# REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

2022

## AUDIT REPORT ON SOCIAL SERVICES SECTOR



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 120 OF 2023



OFFICE of the AUDITOR GENERAL  
Republic of Fiji

VISION

Promoting public sector accountability  
and sustainability through our audits

MISSION

To provide independent value adding  
audit services

To provide an environment where  
our people can excel

VALUES

RESPECT

We uphold respect  
in our relationships.

INTEGRITY

We are ethical, fair and  
honest in our duties.

INDEPENDENT  
& OBJECTIVE

We work independently  
and report objectively.

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professional conduct.

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Our processes  
are transparent.

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confidential.

PROFESSIONAL FRAMEWORK

International Standards for Supreme Audit Institutions

International Standards on Auditing

LEGAL FRAMEWORK

2013 CONSTITUTION OF THE  
REPUBLIC OF FIJI

AUDIT  
ACT 1969

ENVIRONMENT  
MANAGEMENT ACT

NDP AND OTHER  
LEGISLATION

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# OFFICE OF THE AUDITOR GENERAL

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File: 102

17 November 2023

The Honorable Ratu Naiqama Lalabalavu  
Speaker of the Parliament of the Republic of Fiji  
Parliament Complex  
Gladstone Road  
**SUVA**

Dear Sir

## **2022 FINANCIAL YEAR**

### **AUDIT REPORT ON SOCIAL SERVICES SECTOR**

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the Social Services Sector for 2022 financial year.

A copy of the report has been submitted to the Minister for Finance who as required under section 152(14) of the Constitution shall lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Yours sincerely

Sairusi Dukuno  
**ACTING AUDITOR-GENERAL**



## The Office of the Auditor-General – Republic of Fiji

The Office of the Auditor-General is established as an Independent Office by the Constitution of the Republic of Fiji. Its roles and responsibilities include audit of the accounts of the Consolidated Fund and whole of Government financial statements and annual appropriation statement required to be included in the whole of Government annual report for a financial year under the *Financial Management Act 2004*. The audit extends to the accounts of all money received or held by a State entity, whether or not for purposes of Government. These audits are carried out by the Auditor-General on behalf of Parliament.

At least once every year, the Auditor-General must report to Parliament on the audits conducted and on *other significant matters* the Auditor-General wishes to bring to the attention of Parliament. This report satisfies these requirements.

As a result of its mandate, the Office of the Auditor-General has a distinctive view of the entire public sector of matters affecting financial and non-financial performance. We use this perspective to achieve our vision of excellence in public sector auditing by providing comprehensive analysis and value-adding recommendations.

The Office of the Auditor-General notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high-quality reporting including recommendations which are not only value-adding to the entity subject to audit but its customers, the general public as well.

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## AUDITOR-GENERAL'S FOREWORD



I am pleased to present the 2022 report on the Social Services Sector.

With effect from 24 February 2022, I took up the acting appointment of the Auditor-General. Over this period, I brought upon strategies to update the audits of Ministries and Department. I am pleased to advise that there has been significant progress in enabling the tabling of the 2022 reports for Social Services Sector to Parliament.

Permanent Secretaries and those charged with governance of the agencies under the Social Services Sector, are responsible for the preparation and fair presentation of the financial statements in accordance with requirements of Finance Management Act 2004 and Finance Instructions 2010.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

It is important to note that the deficiencies highlighted in this report were identified during our audit and may have been subsequently resolved. These have been included in this report as they impacted on the overall system of control of the Ministries and Departments as at 31 July 2022.

### Report

This report contains summaries and my analysis of the audit findings, the quality and timeliness of financial reporting, the audit opinions issued on the financial statements and the key reasons for such opinions, internal control assessments, other significant issues identified from the audits and high-level recommendations aimed to strengthen financial reporting, governance and internal controls, by the agencies under the Social Services Sector.

The issues discussed in this report require the prompt action by Permanent Secretaries to improve their financial accountability. On the same note, I would like to commend the entities that have already made efforts to improve their financial reporting, governance and internal controls.

I hope my reports to Parliament are a catalyst for change in public sector. While I believe that real change required the resolve and action of public sector entities themselves through continuous learning and development. I hope that these entities recognize the value of audit, welcome the scrutiny to act upon my recommendations to foster a culture of change and continuous improvement.

I would also like to acknowledge the assistance and cooperation rendered to my Office by these entities throughout the audit process.

A handwritten signature in black ink, appearing to be 'Sairusi Dukuno', written in a cursive style.

Sairusi Dukuno  
Acting Auditor-General  
Date: 17 November 2023

## 1.0 SECTOR SUMMARY

This report includes the audit for agencies under the Social Services sector, namely:

Head 21 & 26	Ministry of Education, Heritage and Arts & Higher Education Institutions
Head 22	Ministry of Health and Medical Services
Head 23	Ministry of Housing and Community Development
Head 24	Ministry of Women, Children and Poverty Alleviation
Head 25	Ministry of Youth and Sports

### ***Results of our Audits - Quality and Timeliness of Financial statements***

Of the five agencies reported in this report, the audit resulted in the Auditor-General issuing unmodified audit opinion on four agencies for the year ended 31 July 2022. The details are contained in [Section 2.0](#).

The submission of acceptable draft financial statements for audit were generally effective as it was received by 31 October 2022.

## 2.0 AUDIT OPINION OUTCOME

The main outcome of the audits are independent auditors' reports on the agency financial statements that were produced and submitted to the Auditor-General.

Comparatively, for the financial years 2021-2022, the outcome of the agency financial statements audits for the agencies under the Social Services Sector remain consistent except for Ministry of Health and Medical Services which was issued modified audit opinion for financial year 2022.

The following table presents comparison of the outcome of our audit for last three financial years for Ministries and Departments under the Social Services Sector.

Ministry/Department	2021-2022 Financial Year		2020-2021 Financial Year		2019-2020 Financial Year
	Date Audit Report Signed	Audit Opinion Type	Date Audit Report Signed	Audit Opinion Type	Audit Opinion Type
21. Ministry of Education, Heritage and Arts	21/06/2023	Unmodified	29/11/2022	Unmodified	Modified
22. Ministry of Health and Medical Services	31/05/2023	Modified	29/11/2022	Unmodified	Unmodified
23. Ministry of Housing and Community Development	10/08/2023	Unmodified	15/11/2022	Unmodified	Unmodified
24. Ministry of Women, Children and Poverty Alleviation	15/08/2023	Unmodified	06/06/2022	Unmodified	Modified
25. Ministry of Youth and Sports	01/06/2023	Unmodified	28/07/2022	Unmodified	Unmodified

In accordance with International Standards on Auditing, I express an *unmodified opinion* (unqualified) when the financial statements are prepared in accordance with the Financial Management Act 2004, Finance Instructions 2010 and with relevant legislative requirements. This type of opinion indicates that material misstatements, individually or in the aggregate, were not noted in our audit which would affect the financial statements of an entity.

I issue a *modified opinion* (qualified) when having obtained sufficient appropriate audit evidence, we conclude that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or I was unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

An **Emphasis of Matter** paragraph is included in the auditor's report to highlight an issue that will help the user better understand the financial statements and an **Other Matter** paragraph highlights a matter that is relevant to users' understanding of the audit report.

The reporting framework on which the agency financial statements of Ministries and Departments are prepared are based on the Financial Management Act 2004 and Finance Instructions 2010.

Based on the above, I issued modified audit opinion for Ministry of Health and Medical Services on the following grounds for the financial year 2022:

**Ministry of Health and Medical Services**

In relation to Trading and Manufacturing Account there was unreconciled variances of \$22,067 between the FMIS General Ledger balance and the Bank Reconciliation for Cash at Bank Balance in the Bulk Purchase Scheme Balance Sheet.

In addition, the Ministry was unable to provide detailed listing of Accounts Receivable of \$11,925 and VAT Receivable of \$19,097 recorded in the Bulk Purchase Scheme Balance Sheet.

### 3.0 ASSESSMENT OF FINANCIAL GOVERNANCE

This section evaluates the effectiveness of the internal controls maintained by 5 Ministries and Departments.

Internal controls are processes designed and implemented by Permanent Secretaries, Heads of Departments and other personnel of Ministries and Departments to provide reasonable assurance about the achievement of a ministry or department's objectives with regard to reliability of financial reporting effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The term "control" refers to any aspects of one or more components of internal control.

Permanent Secretaries and Heads of Departments are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004 and Finance Instructions 2010, and for such internal control as they determine is necessary to enable preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Internal control issues noted during our audit are reported to the Permanent Secretary or Head of Department of Ministries and Departments.

Our overall assessment of the financial governance of the agencies reported under the Social Services Sector shows internal control, the financial statement preparing processes and responses to the Office of the Auditor-General. Details of our assessment is provided under [Section 4.0 – Results Summary Financial Governance](#).

#### 3.1 Internal Control Framework

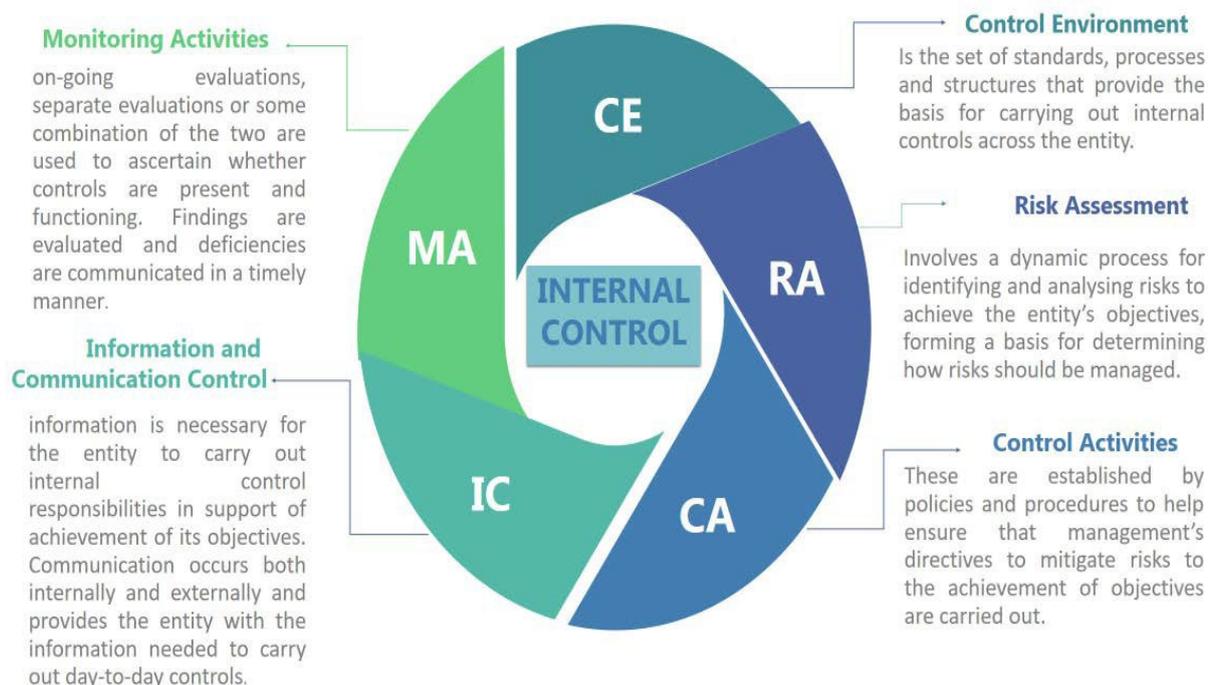
During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

A *deficiency* occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing.

A *significant deficiency* is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

### 3.2 Internal Controls

Internal controls are categorized against the following five components of internal control.



Rating	Internal Control Assessment
🟢 Effective	No significant deficiencies identified in internal controls
🟡 Generally effective	Some deficiencies identified in internal controls
🔴 Ineffective	Significant deficiencies identified in internal controls

### 3.3 Preparation of Draft Agency Financial Statements

On 29 April 2022, Permanent Secretary for Finance issued Circular No. 06/2021-2022 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2022 accounts and times were detailed.

- Cancellation of unprocessed purchase orders by 18 July 2022
- Retirement of Imprest by 15 July 2022
- Processing of payments by 28 July 2022
- Clearance of stale cheques by 5 August 2022
- Closing date for journal adjustments by 8 August 2022
- Processing of virement by 19 August 2022
- Completion of reconciliation by 26 August 2022
- Clearance of Interdepartmental clearance accounts by 5 August 2022
- Annual Board of Survey on Drawings accounts cheques by 26 August 2022
- Submission of Arrears of Revenue Return by 26 August 2022

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Rating	Year-end close process assessment
● Effective	All 10 key processes completed by due date
● Generally effective	Five of 10 key processes completed within two weeks of due date
● Ineffective	Less than five of 10 key processes completed within two weeks of due date

### 3.4 Quality of Draft Financial Statements by Entities

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the impact these adjustments had on the total expenditures, operating results or net assets of the entity subject to our audit.

Rating	Quality of draft financial statements assessment
● Effective	No adjustments were required
● Generally effective	Adjustments on total expenditure, operating results/net assets were less than one percent
● Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

### 3.5 Timeliness of Draft Financial Statements for Entities

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received.

Rating	Timeliness of draft financial statements assessment
● Effective	Acceptable draft financial statements received before or on 15 October 2022
● Generally effective	Acceptable draft financial statements received before or on 31 October 2022
● Ineffective	Acceptable draft financial statements received after 31 October 2022

### 3.6 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Rating	Timeliness of Management Comments
● Effective	Within 14 days from issue of Draft Management Letter
● Generally effective	Within 21 days from issue of Draft Management Letter
● Ineffective	After 21 days from issue of Draft Management Letter
Rating	Timeliness of Signed Financial Statements Received
● Effective	Within 5 days from issue of Financial Statements for signing
● Generally effective	Within 15 days from issue of Financial Statements for signing
● Ineffective	After 15 days from issue of Financial Statements for signing

## 4.0 RESULT SUMMARY – FINANCIAL GOVERNANCE

The following table comparatively summarizes our assessment of controls, the financial statement preparing processes and responses to the Office of the Auditor-General across the ministries and departments in the Social Services Sector for the 3 financial Years to 2022 which were subject to our audit.

Ministry or Department	Internal controls												Financial Statement Preparation						Responses to OAG			
	CE			RA			CA			IC			MA			T	YE	Q	MC	SFS		
	'22	'21	'20	'22	'21	'20	'22	'21	'20	'22	'21	'20	'22	'21	'20	'22	'21	'20	'22	'21	'20	
<b>Financial Year</b>																						
<b>Social Services Sector</b>																						
21. Ministry of Education, Heritage and Arts	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
22. Ministry of Health and Medical Services	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
23. Ministry of Housing and Community Development	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
24. Ministry of Women, Children and Poverty Alleviation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
25. Ministry of Youth and Sports	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

'22 = 2022      '21 = 2021      '20 = 2020

CE=Control Environment

RA=Risk Assessment

MA=Monitoring Activities

IC=Information and Communication Control

CA=Control Activities

YE=Year-end close processes

T=Timeliness of draft financial statements

Q=Quality of draft financial statements

MC=Management Comments provided

SFS=Signed Audited financial statements returned

**Section 21****Ministry of Education, Heritage and Arts****Roles and Responsibilities**

The Ministry of Education, Heritage and Arts is responsible for the design, implementation, monitoring and evaluation of educational legislations, policies and programs in Fiji. They provide the structures, human resources, budget, administrative and management support to ensure that the quality-of-service delivery is maintained at a high level. The Ministry of Education is specifically tasked to conduct and deliver education services at early childhood education, primary and secondary education, special and vocational schools, vocational education and training programs, technical college education, professional development and training for teachers and training of school managers and controlling authorities. Ministry of Education also reports for Fiji Higher Education Commission (FHEC). FHEC oversees the development and improvement of higher education in Fiji with the aim of ensuring that learners have the best possible opportunity to gain relevant qualifications required to support and sustain Fiji's economic and social prosperity.

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## PART A: FINANCIAL INFORMATION

### 21.0 Financial Information



### 21.1 Audit Opinion

The audit of the 2022 accounts of the Ministry of Education, Heritage and Arts resulted in an unmodified audit opinion with other matter paragraph as follows:

#### Other Matter

The Ministry did not have in place written policies, procedures, and guidelines for monitoring of Grants to Government Schools.

### 21.2 Appropriation Statement – Head 21

The Ministry collected revenue totalling \$1.07 million in 2022 and incurred expenditure totalling \$431.8 million against a revised budget of \$447.1 million resulting in unutilized budget of \$15.3

million or 3.4%. Details of expenditure against the revised budget are provided in **Table 21.1**.

Table 21.1: Appropriation Statement for 2022 – Head 21

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	341,585,204	---	341,585,204	335,999,377	5,585,827
2	Government Wage Earners	3,887,407	---	3,887,407	2,851,645	1,035,762
3	Travel & Communications	643,950	358,510	1,002,460	944,524	57,936
4	Maintenance & Operations	891,000	89,940	980,940	849,293	131,647
5	Purchase of Goods & Services	8,860,628	(647,481)	8,213,147	6,893,547	1,319,600
6	Operating Grants & Transfers	85,642,212	64,867	85,707,079	82,279,899	3,427,180
7	Special Expenditure	467,380	4,310	471,690	354,900	116,790
	<b>Total Operating Expenditure</b>	<b>441,977,781</b>	<b>(129,854)</b>	<b>441,847,927</b>	<b>430,173,185</b>	<b>11,674,742</b>
8	Capital Construction	3,333,985	129,854	3,463,839	649,977	2,813,862
9	Capital Purchase	98,920	---	98,920	90,754	8,166
10	Capital Grants & Transfers	397,060	---	397,060	278,134	118,926
	<b>Total Capital Expenditure</b>	<b>3,829,965</b>	<b>129,854</b>	<b>3,959,819</b>	<b>1,018,865</b>	<b>2,940,954</b>
13	Value Added Tax	1,286,657	---	1,286,657	572,732	713,925
	<b>TOTAL</b>	<b>447,094,403</b>	<b>---</b>	<b>447,094,403</b>	<b>431,764,782</b>	<b>15,329,621</b>

The unutilized budget was largely due to the following:

### **SEG 1 Established Staff**

The \$5.5m savings in SEG 1 was mainly due to funds not fully utilized. The major contributor has been the qualification upgrade with a savings of \$1.4m. In the financial year only 588 teachers had their qualification upgraded. The qualification upgrade budget allocation included both the arrears of qualification upgrade effective from date of completion and salary difference for each staff. However, the salary difference for those staff whose qualification was upgraded was paid from respective Program and Activity of the Officers therefore resulting in savings. Another contributor of savings was due to personal emoluments funds and its corresponding FNPF not being fully utilized mainly for Program 2, Primary Education and Program 3, Secondary Education. Reason behind Personal Emoluments not fully utilized was due to the fact of COVID-19 outbreak, the schools were closed from April 2021 and partially opened for year 13 in December 2021 and all of Primary and Secondary Schools in February 2022. During the closure period, there were no appointment of teachers on relieving or new appointments after exits.

### **SEG 2 Government Wage Earners**

The \$1m savings in SEG 2 was due to balance of funds in Government school's wages earners allocation. New appointments or relieving staff were not recruited during COVID-19 outbreak due to school closure. There was also some balance of funds in other program and activities which has contributed to overall savings in SEG 2.

### **SEG 5 Purchase of Goods & Services**

The \$1.3m savings in SEG 5 was mainly due to goods and services in all program and activities could not be fully utilized because of closure of schools due to COVID-19 outbreak. \$706,515 budget for printing of textbook was not utilized since \$575,897 was sufficient to purchase the textbooks that were required. The tender for industrial arts tools and equipment was called for 2 years. The total cost for 2 years could not be catered for 2021-2022 budget as there were other tools such as Home Economics and Agriculture Tools with laptops/desktops purchased from the allocation. Hence, the tender for 2 years was approved to be catered from FY 2022-2023, therefore resulting in a savings of \$203,478. \$199,788 for Menstrual Hygiene Management Initiative was not utilized since the roll out of this initiative for Years 7-11 female students happened in February 2022 after schools fully opened. The amounts utilized under this initiative depicted actuals from February till July 2022 whereby the vouchers that were redeemed and lodged to MEHA within this financial year had been paid, hence, the balance was savings. There were other items in SEG 5 that could not be utilized due to COVID-19 outbreak and travel restrictions.

### **SEG 6 Operating Grants & Transfers**

#### Free Education Grant Primary, Secondary and ECE and Centralized Schools allocations

Approval to release 50% instead of 100% grants to all compliant schools for Term 3, 2021 and 80% instead of 100% grants to schools for Term 4, 2021 was provided taking into consideration the budgetary provision received and the fact that schools were closed from April 2021 and partially opened in November 2021 and fully opened in February 2022. Savings were also identified on the basis that grants are released to compliant schools only. For those schools which do not meet the termly grant payment conditions as per the School Management Handbook 2020, grants were withheld and these withheld grants is shown as savings at the end of the financial year. For centralized schools, savings are identified when these schools are not able to utilize the total FEG entitled to the school. These un-utilized funds are savings at the end of the financial year.

#### Transport Assistance allocation

Due to schools being closed from April 2021 and partially opened for Years 12-13 students in November 2021 and fully opened to all Primary and Secondary students from February 2022 less expenditure was incurred in terms of payments to RSL Providers and E-Ticketing service provider resulting in \$1.2m savings being identified at the end of the financial year.

#### Grants to Special Schools, Vocational Grants and Boarding Per Capita grants

Grants are released to only those schools which meet the termly grant payment conditions and submit requests and acquittals in a timely manner. Grants of non-compliant schools are withheld and these withheld grants are identified as savings at the end of the financial year. However, budget allocation is provided on the assumption that all schools are compliant but grants are paid out to only those schools that meet the termly grant compliance conditions.

### **SEG 8 Capital Construction**

The savings of \$2.8m mostly consists of funding provided during the revised budget announcement for the upgrades and maintenance of teachers quarters for Government and Non-Government Schools, upgrade and maintenance of Government and Non-Government primary and secondary schools. This funding was not utilized after the revised budget announcement in April 2022 due to

delay in agreement vetting and funding not being released due to financial year end payment closing dates.

### 21.3 Appropriation Statement – Head 26

The Higher Education Institutions incurred expenditure totaling \$47.9 million in 2022 against a revised budget of \$47.9 million.

Details of expenditure against the revised budget are provided in Table 21.2.

Table 21.2: Appropriation Statement for 2022 – Head 26

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	47,933,841	---	47,933,841	47,933,841	---
	<b>Total Operating Expenditure</b>	<b>47,933,841</b>	<b>---</b>	<b>47,933,841</b>	<b>47,933,841</b>	<b>---</b>
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
	<b>TOTAL</b>	<b>47,933,841</b>	<b>---</b>	<b>47,933,841</b>	<b>47,933,841</b>	<b>---</b>

## PART B: SIGNIFICANT MATTERS

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matters highlighted in this report, include control weaknesses which *could cause* or *is causing* severe disruption to the process or on the ability of an auditee to achieve process objectives and comply with relevant legislation.

It is likely that these issues may have an impact on the operations of the Ministry in future, if necessary action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2022.

### 21.4 Absence of Policies, Procedures and Guidelines for Government Schools

Policies and procedures are an essential part of any organization. Together, policies and procedures provide a roadmap for day-to-day operations.

The audit noted that there was no approved documented guideline in place for the release of the Free Education Grant for Government Schools. However, there is school management handbook for Non-Government Schools in place.

Additionally, the audit noted that the certain Government Schools failed to submit the bank reconciliation, cash book and acquittals to the Ministry.

The audit visited the following Government Schools and noted that following months acquittals and cashbook were not submitted to the Ministry.

- Adi Cakobau School – Nov 21, Dec 21, Feb 22, Mar 22, May 22, Jul 22
- Ratu Kadavulevu School – Aug 21, Sep 21, Oct 21, Nov 21, Dec 21, Mar 22
- Suva Grammar School – Jan 22, Feb 22, Mar 22, May 22, Jun 22

Moreover, the following school's acquittals and cashbook were not made available at the Ministry.

- Sila Central School – Aug 21, Sep 21, Oct 21, Nov 21, Dec 21, Jan 22, Mar 22, Jun 22
- Natabua High School – Sep 21, Oct 21, Nov 21, Dec 21, Jan 22, Feb 22, Mar 22
- Delainamasi Government School – Feb 22, Mar 22, Apr 22, May 22
- Bucalevu Secondary School – Sep 21, Oct 21, Nov 21, Dec 21, Jan 22, Mar 22, Apr 22, Jul 22
- Labasa College – Dec 21, Mar 22, May 22

This is due to absence of school management handbook for Government Schools. This also indicates that the Ministry does not have a stringent monitoring process in place for release of Free Education Grants to Government School.

### **Recommendations**

#### **The Ministry should:**

- **develop free education grant management handbook for Government Schools; and**
- **ensure that all schools submit acquittals on a timely basis.**

### **Agreed Management Action**

*The Ministry is in process in drafting a school management handbook for government schools and it is still in the initial stages. Currently government schools are to follow the existing 2020 School Management Handbook.*

*Most of the Government schools have claimed to submit the Reconciliations but due to staff movements, these files were misallocated. The reconciliations however can be found retrieved from the respective school. There is also no requirement in the Ministry's Finance Manual for the Government Schools to submit hard copies of bank reconciliations, cash book and acquittals. However, process is now in place to check and verify the reconciliations and on a monthly basis a report on Government Schools bank reconciliation status is provided by the AFO ledgers to senior managers, divisions and school heads to rectify issues identified this process will ensure that there are proper processes being followed.*

*Free Education Grants are also released to those Government Schools who comply with the grant payment conditions. One of the conditions for grant release is submission of updated bank reconciliations which is facilitated through the automated online bank reconciliation process. Submission of acquittals for FEG release are not a requirement therefore government schools will not be submitting acquittal reports. For those schools that do not comply with the compliance conditions, the grants are withheld.*

## 21.5 Procurement Anomalies at Government Schools

The School Bursar/ Administration Officer will prepare a Purchase Order and submit to the School Head for approval. The following documents need to be attached to the Purchase Order:

- Requisition form
- Quotations
- Evaluation Form.<sup>1</sup>

Immediately after payment has been effected, the cashier must stamp “paid” on all vouchers and supporting documentation to avoid any double payments.<sup>2</sup>

The audit visit of certain Government Schools revealed that Competitive Quotes, Invoices and LPO were not attached to the payment vouchers. In addition, audit noted that payment vouchers were not stamped paid. Refer to **Appendix 21.1** for details.

The audit findings indicate that proper payment procedures were not always followed by these schools. Failure to implement internal control already in place and processing payments without proper documentation increases the risk of double and unauthorized payments.

### **Recommendation**

**The Ministry should ensure that Schools follow proper procurement process and all payment records are safely maintained.**

### **Agreed Management Action**

*The audit comments are noted. Ministry wishes to inform Audit that the Ministry has conducted training last year regarding the procurement processes and will conduct further training to address issues surrounding procurement processes.*

*The Ministry is also in process of drafting the School Management Handbook for Government Schools which will further strengthen the procurement guidelines. The Ministry ensures that they will assist the school in identifying storerooms then, related storage items will be bought to assist with the filing system. There will also be a separate storage space in the Bursar’s room to store current files. Most of the Bursars have limited storage space thus the need to identify storage rooms out of away from their operating office.*

*Ministry also informs Audit that all the vacant positions will also be filled by the Ministry.*

## 21.6 Management of Government School Premises

Every employer shall ensure the health and safety at work of all his or her workers.<sup>3</sup>

The audit carried out site visit of five Government Schools from 27/2/23-3/3/23 and the following observations at the school premises and dormitories were noted:

- Damaged ceilings and water leakages in classroom and staff rooms;
- Damaged and broken windows and doors in classroom;

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<sup>1</sup> Ministry of Education, School Management Handbook 2020, Section B4.3.2 Step 4

<sup>2</sup> Ministry of Education, Finance Manual 2017, Section 2.8.9

<sup>3</sup> Health and Safety at Work Act 1996 - Section 9(1)

- Worn out paint and exposed electrical cables;
- Rusted roof and old gutterings;
- Damaged toilets, tap and washing tub in dormitories with absence of proper drainage;
- Broken beds placed in dormitories for students to use;
- Burnt building left idle with no repair and maintenance done;
- Damaged and old unused materials untidily scattered on the school premises; and
- Non-operational assets such as swimming pool becoming a breeding place for mosquitoes and frogs.

Refer to **Appendix 21.2** for findings at the respective schools with pictures.

The finding indicates that there is an absence of adequate policies and procedures for the management of Government School premises. Failure to properly manage the Government School premises has resulted in being not properly maintained which can lead to health and safety risks to students and teachers.

### **Recommendations**

**The Ministry should:**

- **ensure that School premises are well maintained taking into consideration the health and safety of Students, Teachers and Visitors.**
- **work closely with Government school and strengthen capital projects monitoring and evaluation; and**
- **carry out due diligence checks and proper assessments of the Government School premises to ensure timely repair and maintenance of damaged facilities at the school.**

### **Agreed Management Action**

*The Audit comments are noted. The Ministry wishes to inform Audit that its Asset and Infrastructure Services Unit has conducted an extensive infrastructure audit of the government schools and have listed the priority areas after carrying out proper assessments. The Ministry will also be focusing on upgrading and maintenance of Government Schools which is in line with the Government's overall asset and infrastructure improvement plan. The Ministry has also considered the upgrade and maintenance of Government Schools by substantially requesting budget for this in the next financial year. The Ministry's Asset and Infrastructure Services will continue to work closely with the Government School's and will strengthen monitoring and evaluation.*

## **21.7 Anomalies in Clearance of Revolving Fund Account (RFA)**

A travelling officer shall recoup the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents.<sup>4</sup> Upon clearance of the advance, the AO Payments/ CO Claims shall update the debtors register, offset the advance account and debit the appropriate expenditure account.<sup>5</sup>

The Ministry's RFA, which records Accountable Advance, had an outstanding balance of \$164,983 as at 31 July 2022 and \$263,754 as at 31 July 2023.

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<sup>4</sup> Ministry of Education, Finance Manual 2017, Section 10.1.11

<sup>5</sup> Ministry of Education, Finance Manual 2017, Section 10.1.16

The detailed listing of officers who have yet to retire accountable advance as reflected in the Revolving Fund Account was not maintained by the Ministry. Hence, audit was not able to ascertain the correctness of the balance.

This indicates that proper reconciliation is not being carried out by the Ministry.

### **Recommendations**

#### **The Ministry should ensure that:**

- **accurate and proper reconciliations are prepared on a monthly basis and supervised by Accounting Heads;**
- **outstanding accountable advances is reconciled and the debtors listing are updated monthly; and**
- **accountable advance register and records are properly maintained for reconciliation purposes.**

### **Agreed Management Action**

*Audit comments are noted. Ministry wishes to advise Audit that the outstanding balances are from previous years, 2014 and 2018. Outstanding from 2014 amounts to \$143,157.71 which could not be recovered due to officers resigned, retired or terminated from the Ministry without clearing their advance and in 2018 \$21,825; officers who took the advance resigned without clearing advance. \$164,983 is outstanding from previous years for which listing is available at the Payments Section for verification by the Auditors. The Ministry has sent a request to Ministry of Finance for the write off the amount as we are not able to ascertain the balance and the listings. The current RFA balance for 2021/2022 has been cleared and the Ministry has implemented measures to ensure that advances are cleared.*

## **21.8 Balances Carried Forward for Operating Trust Fund Account**

The closing balance for operating trust fund account as at 31 July 2022 was \$1,402,304.

Review of the FMIS general ledger revealed that 78% or \$1,094,840 have been carried forward from previous years with minimal movement noted during the year. Refer to Table 21.3 below for details.

**Table 21.3: Details of Carried Forward Balance**

Allocation	Outstanding Balance (\$)		Movement (\$)
	31/07/21	31/07/22	
12100000000861500	7,444	8,079	635
12100000000861700	14,392	14,443	51
12100000000861900	1,073,004	1,383,229	310,225
<b>Total</b>	<b>1,094,840</b>	<b>1,405,751</b>	<b>310,911</b>

Failure to promptly investigate and rectify the outstanding balances from prior years has resulted in the substantial balance for the operating trust fund account.

### **Recommendation**

**The carried forward balances from previous years should be reviewed by the Ministry and appropriate action should be taken.**

### **Agreed Management Action**

*Audit comments are noted. Majority of the running balance comes from FNPF. These was from the supervisors, casual staffs and attachés that worked without complete FNPF details. Ministry assures Audit that we are working towards reducing the balances in the next three months. The funds on suspension has been accumulated for years and team is setting a target to reduce last three (3) years payment for the next three months. This is to allow the team to first analyse current report and identified payment details prior to making payment. This also includes forwarding listing to FNPF for further verification to ensure that payments are correct or refund officers if accounts are no longer active.*

*Moving forward, the team will address this issue with our Recruitment Department as well as Finance at large on the importance of forwarding details that are of importance to ensure that repetitive issues are corrected in the future especially submitting of FNPF Numbers to FNPF Unit to ensure correct payment is remitted to FNPF on time.*

## **21.9 Absence of Risk Register**

On a quarterly basis, each MoEHA Section/Unit/Sub-unit shall identify and list the potential risk factors that may hinder the achievement of its objectives.<sup>6</sup>

It is imperative that a risk register is maintained by the Ministry to list all the risk that is identified. This can assist the Ministry in mitigating those risks. The audit noted that the Ministry did not maintain a risk register.

In absence of a risk register the Ministry may not be able to take proactive actions to mitigate risks that may exist in the Ministry which could affect Ministry's operations.

### **Recommendation**

**The Ministry should consider developing and putting in place a risk register.**

### **Agreed Management Action**

*The audit comments are noted. Ministry wishes to advise Audit that a risk register will be implemented by the Policy and Planning team of the Ministry.*

## **21.10 Payment Voucher Anomalies**

The AOs, SAO (O) or PAO must not certify a payment as correct unless they are satisfied that it is in accordance with an LPO, indent, contract, invoice, statement or other authorization and there is documentation that the goods, services or works have been received or rendered.<sup>7</sup>

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<sup>6</sup> Ministry of Education, Risk Management Policy 2015, Section 6.1.1

<sup>7</sup> Ministry of Education, Finance Manual 2017, Section 2.8.4

Audit review of payments made by the Ministry during the year noted that supporting documents such as LPO, invoices, competitive quotation and delivery docket were not attached to the payment voucher.

Refer to **Appendix 21.3** for details.

The audit findings indicate that on certain instances proper payment procedures were not followed by the Ministry and internal controls were overlooked while approving the payment vouchers.

### **Recommendation**

**The Ministry should ensure no payments are to be authorized unless it can be substantiated with adequate supporting documents.**

### **Agreed Management Action**

*Audit comments are noted. The Ministry wishes to advise Audit that all payments are processed with specific documents attached as evidence of which most of the payments are sent to Ministry of Finance for excess approval. However, the Ministry will implement a payment voucher check list to ensure that all relevant documents are attached to the payment voucher before processing.*

## **21.11 Anomalies in Payroll Records**

Before either a letter of appointment or contract of appointment is issued, a candidate selected for appointment shall undergo medical examination and be passed as being in all respects physically and mentally fit by an authorized Medical Officer. The employee shall have a satisfactory police record.

Audit review of the new appointment revealed that officers recruited during the financial year by the Ministry did not have copies of the medical and police clearance report in their personal files nor in the Fiji Education Staff Appointment (FESA) system. Refer **Appendix 21.4** for examples.

This indicates ineffective records management practices. It also indicates non-compliance to stated rules and guidelines in place to govern how payroll records should be maintained.

### **Recommendation**

**The Ministry should ensure that medical and police clearance report are maintained in the personal files or in the Fiji Education Staff Appointment (FESA) system for new appointments.**

### **Agreed Management Action**

*Audit comments and recommendations are noted and the Ministry does agree that there are limitations in the HR processes. As these documents are submitted to FTRA for the issuance of the teacher license, the contracts unit only issued the letters once the teachers had obtained the licenses. The contracts units will henceforth ensure that for all new appointments a copy of the medical and police clearance are filed in the teacher's personal file before their appointment letters are issued. The Ministry will now ensure that all documents are in their personal file.*

## 21.12 Salary Overpayments - Recurring Issue

Accounts Officer Salaries must immediately inform the salaries clerk and ensure that the resignation date is entered into the payroll and salary is terminated in time to avoid overpayment of salary.<sup>8</sup>

The audit of the payroll record revealed overpayment of salary for those Teachers who had resigned from the Ministry.

Audit review of payroll records revealed that overpayment of salaries still exists in the current financial year ended 31/07/2022. Refer to Table 21.4 for details.

**Table 21.4: Examples of Salary Overpayment – 31 July 2022**

Emp ID (TPF)	Division	Reason	Total Salary Overpaid
88743	Central	Deemed Resignation	56.34
110104	Northern	Deemed Resignation	1,113.00
111914	Central	Deemed Resignation	3,034.50
82424	Northern	Deemed Resignation	3,380.19
87041	Northern	Deemed Resignation	3,380.19
112297	Eastern	Deemed Resignation	5,446.51
56103	Eastern	Deemed Resignation	4,555.13
89152	Northern	Deemed Resignation	6,354.26
67586	Western	Resignation	2,599.84
88018	Central	Resignation	1,323.75
66129	Western	Retirement	5,205.50
<b>TOTAL</b>			<b>36,449.21</b>

The salary overpayment in the financial year ended 31/07/2020 and 31/07/2021 was \$39,687 and \$14,169 respectively.

Teachers resigning without giving 30 days' notice and non-timely cessation of salary has resulted in salary overpayments.

### Recommendation

**The Ministry should ensure that salaries of the officers leaving the Ministry are ceased on time and implement proper and stringent internal control to avoid such overpayments.**

### Agreed Management Action

*Audit recommendation is noted. Due process is followed based on the Standard Operating Processes on exit. Exit and teacher replacement request automation request has begun. Human Resource team is liaising with IT Team on the finer details to get this project going. This will curb the overpayment of salaries as exit notifications will allow timely salary cessation. The update is on hold until Ministry of Civil Service provides a confirmation on the update as it should be in line with the HRMIS System for Whole of Government. Notification of overpayment has been sent and follow-ups on the recovery are being done and releasing of any Official Document is on hold until overpayment is cleared.*

<sup>8</sup> Ministry of Education, Finance Manual 2017, Section 4.1.7

### **21.13 Mispostings - Recurring Issue**

Any errors or misallocations must be immediately adjusted by way of journal vouchers.<sup>9</sup>

Audit noted that the Ministry misposted VAT Inclusive Price (VIP) expenditures to the following SEG's:

- SEG 3 (Travel and Communication)
- SEG 4 (Maintenance and Operations)
- SEG 5 (Purchase of Goods and Services)
- SEG 7 (Special Expenditure)
- SEG 8 (Capital Construction)

This shows that the Ministry did not exclude VAT from payments to post it to SEG 13 (Value Added Tax). Refer **Appendix 21.5** for details.

As a result, SEG 3, 4, 5, 7 and 8 was overstated and SEG 13 was understated.

#### **Recommendation**

**The Ministry should ensure that payments are posted to its correct allocations in FMIS general ledger.**

#### **Agreed Management Action**

*The Audit recommendation is noted. It is agreed there has been error in expenditure posting. The Ministry has implemented Monthly VAT reconciliations and also Monthly GL reconciliations for each budget line items. Any anomalies or mispostings are identified and adjusted accordingly. The payments team has been informed and adequate training will be provided to responsible staff. SOP has been documented which acts as a guideline to ensure payments staff post expenditure in correct allocations.*

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<sup>9</sup> Ministry of Education, Finance Manual 2017, Section 16.3.4

## PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

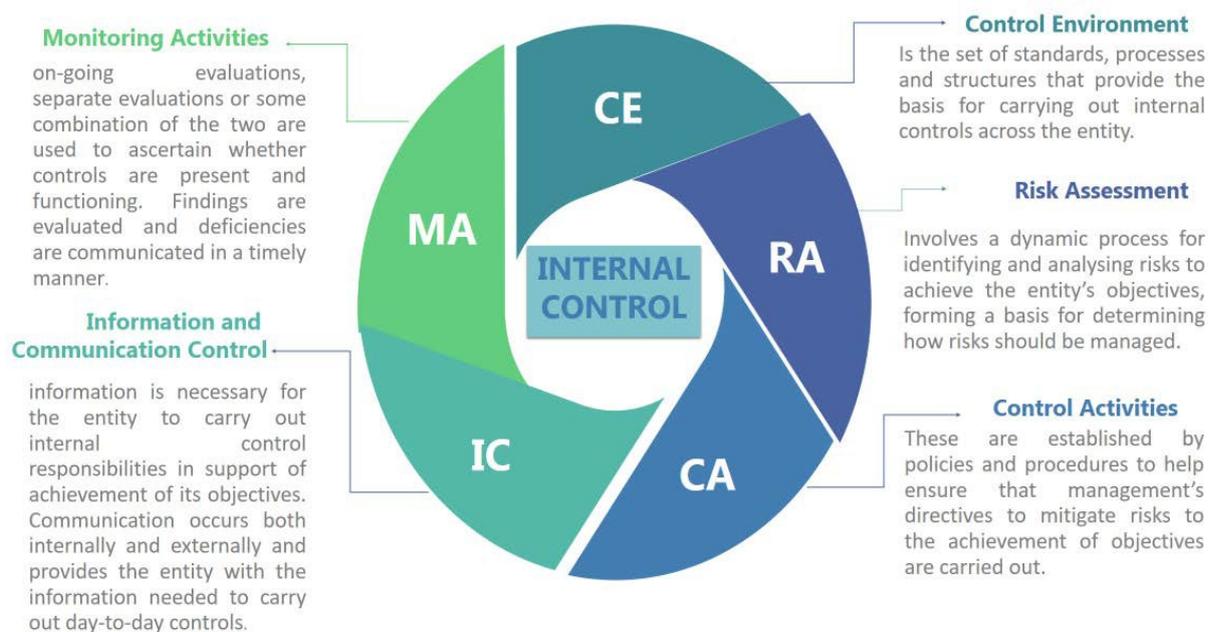
### 21.14 Internal Controls

During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

A *deficiency* occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing.

A *significant deficiency* is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

Internal controls are categorized against the following five components of internal control.



A summary of assessment of key controls based on our audit was as follows:

Control Environment	Risk Assessment	Control Activities	Information & Communication Control	Monitoring Activities
☀	☀	☀	☀	☀

In view of the above, we have assessed the internal controls of the Ministry as:

Rating	Internal control assessment
☀ Generally effective	Deficiencies identified in internal controls.

## 21.15 Submission of FY 2022 Draft Agency Financial Statements

On 29 April 2022, Permanent Secretary for Finance issued Circular No. 06/2021-2022 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2022 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2022	✓	Processing of virement by 19 August 2022	✓
Retirement of imprests by 15 July 2022	✗	Completion of reconciliations by 26 August 2022	✓
Processing of payments by 28 July 2022	✓	Submission of arrears of revenue return by 26 August 2022	✓
Clearance of stale cheques by 05 August 2022	✓	Clearance of Inter-departmental clearance accounts by 05 August 2022	✓
Closing date for journal adjustments by 17 August 2022	✓	Annual Board of Survey on Drawings Account cheques by 26 August 2022	✗

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Based on information received, we have assessed the year-end close process as:

Rating	Year-end close process assessment
☀ Generally Effective	8 out of 10 key processes completed within two weeks of due date

## 21.16 Quality of Draft Financial Statements by Entities

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the impact these adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment for the Ministry was:

Rating	Quality of draft financial statements assessment
🌿 Effective	No adjustments were required

## 21.17 Timeliness of Draft Financial Statements

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of draft financial statements assessment
☀ Generally Effective	Acceptable draft financial statements received on or before 31 October 2022

## 21.18 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
☀ Ineffective	After 21 days from issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
☀ Ineffective	After 15 days from issue of the Financial Statements for signing

**APPENDIX 21.1: DETAILS OF PROCUREMENT ANOMALIES AT GOVERNMENT SCHOOLS****Details of Competitive Quote, Invoice and LPO not attached to the payment vouchers**

School Code	Date	Cheque No.	Amount (\$)	Audit Comments
1825	06/06/22	2509	1,897.50	Competitive quotes not attached to PV
2538	10/08/21	1125116	1,090.00	Invoice not attached to PV
2538	17/09/21	1136805	24,800.00	Invoice not attached to PV
2538	20/10/21	2360	4,950.00	Competitive quotes not attached to PV
2538	20/10/21	2361	2,877.50	Competitive quotes not attached to PV
2541	07/07/22	001970	4,058.50	LPO not attached to PV
2541	26/07/22	001969	2,200.00	LPO not attached to PV
2541	29/07/22	001976	1,830.95	Competitive quote not attached
2541	30/08/22	001983	2,426.50	Competitive quote and LPO not attached to PV
2541	01/01/22	001966	2,300.00	Competitive quote and LPO not attached to PV
2541	05/09/22	001986	1,798.50	Competitive quote and LPO not attached to PV
2541	03/06/22	001940	5,400.00	LPO not attached to PV
2541	05/07/22	001964	885.45	LPO not attached to PV
2541	29/04/22	001911	5,273.00	LPO not attached to PV
2541	10/06/22	001949	8,450.00	LPO not attached to PV
2541	14/09/22	00199	5,135.40	Competitive quote and LPO not attached to PV
2350	28/07/22	3992	150.00	LPO not attached to PV

**Details of Payment Vouchers not stamped "Paid"**

School Code	Date	Cheque No.	Amount (\$)	Audit Comments
1825	27/10/21	2077	1,674.89	PV not stamped 'Paid'
1825	28/10/21	2078	2,848.57	PV not stamped 'Paid'
1825	01/10/21	2066	1,991.06	PV not stamped 'Paid'
1825	01/06/22	2497	1,912.00	PV not stamped 'Paid'
1825	06/06/22	2509	1,897.50	PV not stamped 'Paid'
1825	27/06/22	2546	1,784.90	PV not stamped 'Paid'
1825	03/06/22	3554	4,950.00	PV not stamped 'Paid'
1825	13/01/22	2286	1,386.49	PV not stamped 'Paid'
1825	25/01/22	2308	959.00	PV not stamped 'Paid'
1825	06/04/22	2435	1,300.00	PV not stamped 'Paid'
1825	08/04/22	2438	1,223.20	PV not stamped 'Paid'
1825	29/04/22	2457	2,530.38	PV not stamped 'Paid'
1825	22/04/22	3268	1,770.00	PV not stamped 'Paid'
1825	07/01/22	3157	2,625.00	PV not stamped 'Paid'
1825	13/01/22	3160	1,690.00	PV not stamped 'Paid'
1825	14/12/21	2260	1,331.00	PV not stamped 'Paid'
1825	05/11/21	2088	1,873.80	PV not stamped 'Paid'
1825	10/11/21	2099	777.00	PV not stamped 'Paid'
1825	28/10/21	2079	694.85	PV not stamped 'Paid'
1825	08/07/22	2569	1,908.00	PV not stamped 'Paid'

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School Code	Date	Cheque No.	Amount (\$)	Audit Comments
1825	06/07/22	2562	288.00	PV not stamped 'Paid'
1825	04/07/22	2557	794.14	PV not stamped 'Paid'
1825	01/06/22	2499	1,514.90	PV not stamped 'Paid'
1825	06/06/22	2511	1,610.70	PV not stamped 'Paid'
1825	15/06/22	2528	3,262.64	PV not stamped 'Paid'
1825	03/02/22	2327	659.00	PV not stamped 'Paid'
1825	31/01/22	2322	645.00	PV not stamped 'Paid'
1825	12/12/22	3803	157.00	PV not stamped 'Paid'
1825	24/06/22	3585	1,697.00	PV not stamped 'Paid'
1825	24/05/22	3341	805.00	PV not stamped 'Paid'
1825	25/03/22	3251	4,800.00	PV not stamped 'Paid'
2392	14/10/21	002740	2,278.38	PV not stamped 'Paid'
2392	05/11/21	002760	4,500.00	PV not stamped 'Paid'
2392	17/11/21	002772	9,052.10	PV not stamped 'Paid'
2392	30/11/21	002788	5,407.00	PV not stamped 'Paid'
2392	17/12/21	002808	1,140.00	PV not stamped 'Paid'
2392	31/12/21	002817	2,847.00	PV not stamped 'Paid'
2392	24/03/22	002876	2,222.73	PV not stamped 'Paid'
2392	06/04/22	002885	2,806.95	PV not stamped 'Paid'
2392	14/04/22	002889	2,814.78	PV not stamped 'Paid'
2392	22/04/22	002896	4,515.00	PV not stamped 'Paid'
2392	22/04/22	002897	3,384.60	PV not stamped 'Paid'
2392	22/04/22	002898	2,925.00	PV not stamped 'Paid'
2392	22/04/22	002895	2,800.00	PV not stamped 'Paid'
2392	12/05/22	002915	4,500.00	PV not stamped 'Paid'
2392	09/06/22	002943	6,000.00	PV not stamped 'Paid'
2392	09/06/22	002960	3,000.00	PV not stamped 'Paid'
2392	07/07/22	002987	3,480.20	PV not stamped 'Paid'
2392	21/07/22	002991	3,250.00	PV not stamped 'Paid'
2392	21/07/22	002996	1,470.00	PV not stamped 'Paid'
2392	28/07/22	003006	2,186.50	PV not stamped 'Paid'
2392	28/07/22	003000	1,440.00	PV not stamped 'Paid'
2392	28/07/22	002999	1,020.00	PV not stamped 'Paid'
2541	07/07/22	001970	4,058.50	PV not stamped 'Paid'
2541	07/02/22	001877	1,318.65	PV not stamped 'Paid'
2541	20/05/22	001918	6,504.03	PV not stamped 'Paid'
2541	26/07/22	001969	2,200.00	PV not stamped 'Paid'
2541	10/06/22	001952	5,312.17	PV not stamped 'Paid'

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI – 31 JULY 2022 – SOCIAL SERVICES SECTOR

School Code	Date	Cheque No.	Amount (\$)	Audit Comments
2541	27/04/22	001885	3,426.76	PV not stamped 'Paid'
2541	02/02/22	001873	7,060.53	PV not stamped 'Paid'
2541	07/12/21	909	1,830.00	PV not stamped 'Paid'
2541	06/12/21	912	6,628.00	PV not stamped 'Paid'
2541	13/06/22	001944	2,192.60	PV not stamped 'Paid'
2541	18/10/22	002019	2,560.00	PV not stamped 'Paid'
2541	26/04/22	001890	5,025.01	PV not stamped 'Paid'
2541	30/08/22	001983	2,426.50	PV not stamped 'Paid'
2541	03/06/22	001927	2,300.00	PV not stamped 'Paid'
2541	01/01/22	001966	2,300.00	PV not stamped 'Paid'
2541	28/04/22	1899	1,800.00	PV not stamped 'Paid'
2541	05/09/22	001986	1,798.50	PV not stamped 'Paid'
2541	06/12/21	910	11,800.00	PV not stamped 'Paid'
2541	28/01/22	001872	414.50	PV not stamped 'Paid'
2541	30/12/21	934	1,572.11	PV not stamped 'Paid'
2541	05/09/22	001981	9,920.00	PV not stamped 'Paid'
2541	26/04/22	1898	19,845.00	PV not stamped 'Paid'
2541	03/06/22	001940	5,400.00	PV not stamped 'Paid'
2541	04/07/22	001967	3,026.10	PV not stamped 'Paid'
2541	03/05/22	001895	2,085.00	PV not stamped 'Paid'
2541	05/07/22	001964	885.45	PV not stamped 'Paid'
2541	29/12/21	924	1,149.00	PV not stamped 'Paid'
2541	29/04/22	001911	5,273.00	PV not stamped 'Paid'
2541	31/01/22	001874	5,000.00	PV not stamped 'Paid'
2541	10/06/22	001949	8,450.00	PV not stamped 'Paid'
2541	14/09/22	00199	5,135.40	PV not stamped 'Paid'
2541	20/05/22	001917	2,998.00	PV not stamped 'Paid'
2541	08/06/22	001930	3,354.91	PV not stamped 'Paid'

## APPENDIX 21.2: DETAILS OF FINDINGS DURING SITE VISIT AT THE GOVERNMENT SCHOOLS

### Details of findings at Nasinu Secondary School – Date of Visit 27/02/23



Damaged classroom ceiling



Broken railing outside classrooms



Water leakage in math's department



Worn out paints



Exposed electrical cables



Unused materials scattered in the yard



Old, rusted kitchen floor



Old and broken beds in dormitories



Broken study tables in dormitories



Broken doors in girls dormitories



Broken Gate at the Senior Girls Hostel



No proper drainage in girls' dormitories



Damages taps in dormitories



No shower and taps in the bathroom



Broken ceiling in the Boys Hostel



Boys Hostel Corridor filled with water

**Details of finding at Ratu Kadavulevu School – Date of Visit 02/03/23**



Damaged Ceiling



Rusted and damaged roofing iron and old gutterings



Unused materials scattered in the yard



Old and broken fans in classrooms



Beds placed on cement blocks



Old and broken beds used by students



Ceiling falling on beds in dormitories



Exposed electrical wires



Broken tables at dining hall



Old and broken chairs in classroom



Food not stored properly and rotten



Damaged washing tub



Damaged toilets in dormitories



2019 burnt down Degei House still left idle with debris scattered around



**Details of finding at Adi Cakobau School – Date of Visit 01/03/23**



Missing & broken windows



Damaged floor tiles in classrooms



Cabinets in labs are broken



Water leakage in Science Lab



Damaged Ceiling



Old guttering



Roof damaged has not been repaired



Broken washing tub in dormitories



Missing drainage pipes



Worn out paints and rusted roof



Broken windows in dormitories



No shower and taps in the bathroom



No shade in the passage connecting classrooms

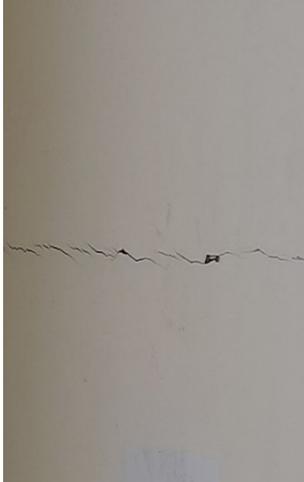


Broken dormitory railing



Swimming pool non-operational and a breeding place for mosquitoes and frogs

**Details of findings at Queen Victoria School – Date of Visit 03/03/23**

 <p>Damaged ceilings</p>	 <p>Old and damaged guttering</p>	 <p>Cracked walls</p>	 <p>Broken floor tiles in classrooms and staff room</p>
 <p>Damaged ceiling in Principal's conference room.</p>	 <p>Water leakage in staff room which damages the papers and books stored in cabinet under the leaking ceiling</p>	 <p>Dining Hall has no door &amp; windows – Dogs, Cats &amp; Birds enter and dirty the place. This is a health hazard</p>	 <p>Water pipes running across the chemistry lab and along the walking area where the students can trip &amp; fall</p>
 <p>Damaged and broken windows at dormitories</p>	 <p>Broken pipes and poor drainage at the dining hall wash bay</p>	 <p>Old and rusted chairs not disposed and kept under the stairs which is near to the classroom</p>	 <p>Steels dumped around teacher's cottage</p>

**Details of findings at Suva Grammar School – Date of Visit 28/02/23**



Damaged ceiling in classrooms, there are also instances sighted where the ceiling is hanging loose and can fall on someone



Old and fallen guttering's sighted at few classroom blocks



Exposed electrical wires



Damages cabinets in Science & Industrial Arts Room



Rusted iron roofs with holes



Damaged toilets



Swimming pool non-operational for more than 10 years, the facilities are deteriorating day by day and if not repaired will become obsolete and a breeding place for mosquitoes and frogs.



**APPENDIX 21.3: DETAILS OF PAYMENT IRREGULARITIES****Details of supporting documents not attached to the payment voucher**

Date	Voucher No.	Cheque No.	Amount (\$)	Issues Noted
02/02/22	666799	289272	34,148.52	TT Payment form not attached to payment voucher.
02/03/22	669082	291257	10,902.86	TT Payment form not attached to payment voucher.
13/08/21	658054	280976	13,980.00	LPO was not attached to the payment voucher.
08/05/21	657864	280897	3,000.00	LPO and competitive quote not attached to the payment voucher.
08/05/21	657978	280897	3,509.80	LPO and competitive quote not attached to the payment voucher.
23/08/21	658420	281282	2,000.00	Competitive quotes not attached to PV.
14/10/21	660520	283214	105,374.08	Telegraphic Transfer Form not sighted - Commonwealth of Learning
13/07/22	683279	304081	40,600.49	Invoices not attached to the payment voucher.
25/07/22	685293	305987	17,221.56	Invoices not attached to the payment voucher.
23/03/22	671451	294412	10,183.10	Tender/ Quotation not attached to PV nor provided for Audit verification.
23/06/22	681124	302445	44,931.80	Tender/ Quotation not attached to PV nor provided for Audit verification.
07/02/22	666890	289327	20,020.87	Tender/ Quotation not attached to PV nor provided for Audit verification.
16/06/22	680409	301878	12,600.00	Tender/ Quotation not attached to PV nor provided for Audit verification.

**Details of delivery dockets not attached to the payment voucher nor provided for Audit Verification**

Date	Voucher No.	Cheque No.	Amount (\$)	Issues Noted
22/03/22	671234	293152	4,541.28	Delivery Note not attached to the PV nor provided for Audit Verification.
22/03/22	671235	293152	5,298.16	Delivery Note not attached to the PV nor provided for Audit Verification.
12/04/22	673596	295453	9,633.04	Delivery Note not attached to the PV nor provided for Audit Verification.
14/04/22	673877	295834	9,633.04	Delivery Note not attached to the PV nor provided for Audit Verification.

Date	Voucher No.	Cheque No.	Amount (\$)	Issues Noted
14/04/22	673907	295834	6,192.67	Delivery Note not attached to the PV nor provided for Audit Verification.
19/04/22	674239	296968	20,128.50	Delivery Note not attached to the PV nor provided for Audit Verification.
28/03/22	672084	293950	3,095.31	Delivery Note not attached to the PV nor provided for Audit Verification.
31/03/22	673538	297167	18,572.46	Delivery Note not attached to the PV nor provided for Audit Verification.
14/04/22	673907	295834	1,277.98	Delivery Note not attached to the PV nor provided for Audit Verification.
19/04/22	674240	295834	6,190.82	Delivery Note not attached to the PV nor provided for Audit Verification.
25/05/22	678112	299921	6,190.82	Delivery Note not attached to the PV nor provided for Audit Verification.

#### APPENDIX 21.4: DOCUMENTS NOT MAINTAINED IN PERSONAL FILE AND FIJI EDUCATION STAFF APPOINTMENT (FESA) SYSTEM

The following are the examples of the medical report not obtained nor filed in the respective officer's personal file

Emp ID (TPF)	Position	Issue Noted
113201	Teacher Primary	Absence of Medical Report
113369	Teacher Primary	Absence of Medical Report
113381	Teacher Primary	Absence of Medical Report
113371	Teacher Primary	Absence of Medical Report
113398	Teacher Primary	Absence of Medical Report
113410	Teacher Primary	Absence of Medical Report

The following are the examples of the police clearance not obtained nor filed in the respective officer's personal file

Emp ID (TPF)	Position	Issued Noted
112942	Teacher Primary	Absence of Police Clearance
112945	Teacher Secondary	Absence of Police Clearance
112940	Teacher Secondary	Absence of Police Clearance
112943	Teacher Secondary	Absence of Police Clearance
113201	Teacher Primary	Absence of Police Clearance
113206	Teacher Primary	Absence of Police Clearance
113202	Teacher Primary	Absence of Police Clearance
113207	Teacher Primary	Absence of Police Clearance
113204	Teacher Secondary	Absence of Police Clearance
113369	Teacher Primary	Absence of Police Clearance
113381	Teacher Primary	Absence of Police Clearance
113371	Teacher Primary	Absence of Police Clearance
113398	Teacher Primary	Absence of Police Clearance
113410	Teacher Primary	Absence of Police Clearance

**APPENDIX 21.5: DETAILS OF VIP AMOUNT POSTED IN THE GENERAL LEDGER**

Date	Cheque No	Amount (\$) VIP	Amount (\$) VEP	Amount (\$) VAT	Allocation (VIP) was posted to
03/09/21	281520	5,053.93	4,636.63	417.30	SEG 3 - Travel & Communication
05/10/21	282170	6,859.05	6,292.71	566.34	SEG 3 - Travel & Communication
02/02/22	289184	6,583.60	6,040.00	543.60	SEG 3 - Travel & Communication
09/02/22	289472	6,622.00	6,075.23	546.77	SEG 3 - Travel & Communication
09/02/22	289472	7,356.17	6,748.78	607.39	SEG 3 - Travel & Communication
02/03/22	290940	4,991.75	4,579.59	412.16	SEG 3 - Travel & Communication
12/04/22	295185	5,819.27	5,338.78	480.49	SEG 3 - Travel & Communication
20/04/22	296016	5,112.00	4,689.91	422.09	SEG 3 - Travel & Communication
20/04/22	296016	6,447.92	5,915.52	532.40	SEG 3 - Travel & Communication
25/05/22	299923	6,268.45	5,750.87	517.58	SEG 3 - Travel & Communication
		<b>61,114.14</b>	<b>56,068.02</b>	<b>5,046.12</b>	<b>Overstated by</b>
12/01/22	288230	22,676.59	20,804.21	1,872.38	SEG 4 - Maintenance & Operations
02/02/22	289185	20,130.55	18,468.39	1,662.16	SEG 4 - Maintenance & Operations
11/03/22	292991	22,371.88	20,524.66	1,847.22	SEG 4 - Maintenance & Operations
06/07/22	303245	29,342.35	26,919.59	2,422.76	SEG 4 - Maintenance & Operations
05/11/21	283869	4,058.15	3,723.07	335.08	SEG 4 - Maintenance & Operations
12/11/21	284078	5,043.13	4,626.72	416.41	SEG 4 - Maintenance & Operations
12/11/21	284078	2,835.55	2,601.42	234.13	SEG 4 - Maintenance & Operations
12/11/21	284078	4,361.12	4,001.03	360.09	SEG 4 - Maintenance & Operations
27/01/22	288931	3,149.55	2,889.50	260.05	SEG 4 - Maintenance & Operations
01/02/22	289117	2,825.06	2,591.80	233.26	SEG 4 - Maintenance & Operations
02/02/22	289182	2,705.31	2,481.94	223.37	SEG 4 - Maintenance & Operations
02/02/22	289182	2,828.64	2,595.08	233.56	SEG 4 - Maintenance & Operations
02/02/22	289182	2,479.68	2,274.94	204.74	SEG 4 - Maintenance & Operations
18/02/22	290106	2,400.61	2,202.39	198.22	SEG 4 - Maintenance & Operations
01/03/22	290716	3,035.65	2,785.00	250.65	SEG 4 - Maintenance & Operations
16/03/22	292807	2,450.65	2,248.30	202.35	SEG 4 - Maintenance & Operations
08/04/22	295042	2,406.54	2,207.83	198.71	SEG 4 - Maintenance & Operations
13/04/22	295324	2,628.47	2,411.44	217.03	SEG 4 - Maintenance & Operations
13/04/22	295324	2,507.84	2,300.77	207.07	SEG 4 - Maintenance & Operations
20/04/22	296013	5,245.78	4,812.64	433.14	SEG 4 - Maintenance & Operations
02/06/22	300530	2,550.28	2,339.71	210.57	SEG 4 - Maintenance & Operations
		<b>148,033.38</b>	<b>135,810.44</b>	<b>12,222.94</b>	<b>Overstated by</b>
13/08/21	280976	13,980.00	12,825.69	1,154.31	SEG 5 - Purchase of Goods & Services
01/07/22	287977	50,000.00	45,871.56	4,128.44	SEG 5 - Purchase of Goods & Services
12/10/21	283095	24,624.64	22,591.41	2,033.23	SEG 5 - Purchase of Goods & Services
10/03/22	292196	26,000.00	23,853.21	2,146.79	SEG 5 - Purchase of Goods & Services
22/04/22	296620	33,342.13	30,589.11	2,753.02	SEG 5 - Purchase of Goods & Services
05/11/22	299392	34,568.35	31,714.08	2,854.27	SEG 5 - Purchase of Goods & Services
		<b>182,515.12</b>	<b>167,445.06</b>	<b>15,070.06</b>	<b>Overstated by</b>
22/02/22	290240	24,525.00	22,500.00	2,025.00	SEG 7 - Special Expenditure
		<b>24,525.00</b>	<b>22,500.00</b>	<b>2,025.00</b>	<b>Overstated by</b>
23/06/22	302445	49,924.22	40,809.61	9,114.61	SEG 8 - Capital Construction
		<b>49,924.22</b>	<b>40,809.61</b>	<b>9,114.61</b>	<b>Overstated by</b>

## Section 22 Ministry of Health and Medical Services

### Roles and Responsibilities

The Ministry of Health and Medical Services is responsible for the promotion of health and well-being, protection of life and prevention & cure of disease, injuries and substance abuse. The Ministry of Health and Medical Services for the financial year 2021 - 2022 was budgeted for the following measurable/verifiable improvement in outcomes for the citizens of Fiji.

- Increase in service delivery outcome under broad priority areas such as Non-Communicable Diseases, Maternal & Child Health and Communicable Diseases including environmental health and disaster preparedness.
- Increase in primary health care outcomes by expanding outreach programmes, improving continuum of care and improving quality and safety standards at health facilities.
- Increase in availability and accessibility of medicinal products and medical equipment to ensure effective service delivery.

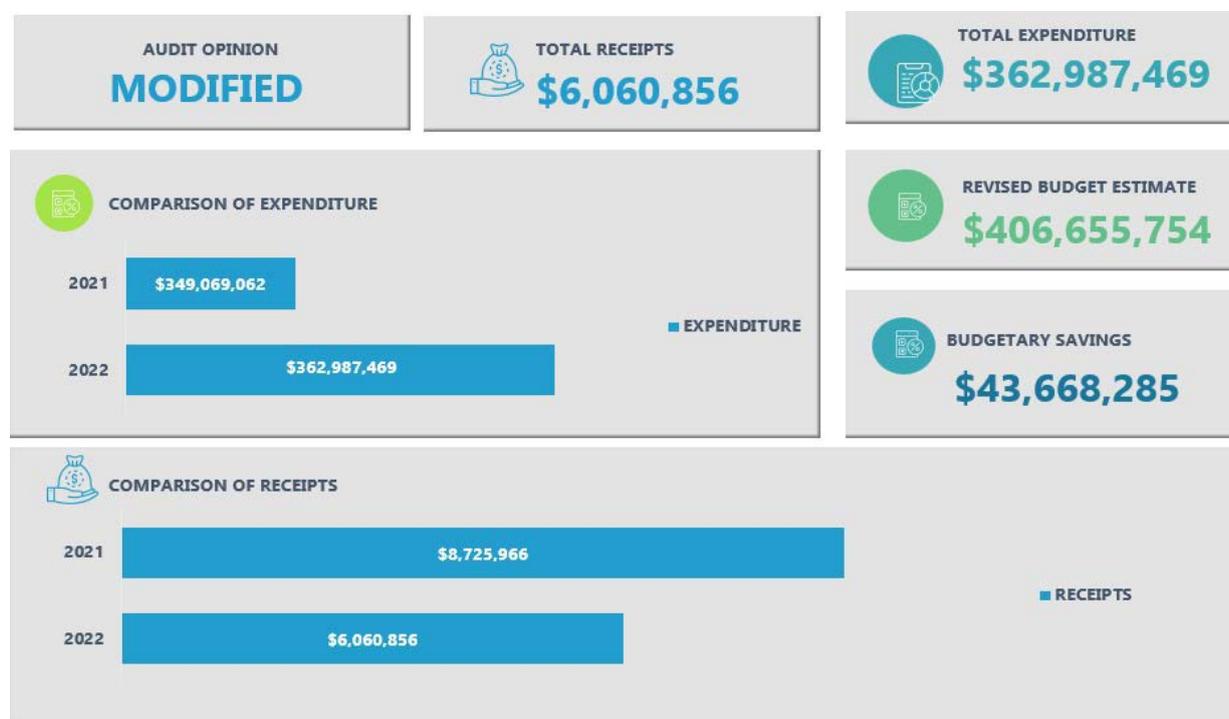
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## PART A: FINANCIAL INFORMATION

### 22.1 Financial Information



### 22.2 Audit Opinion

The audit of the 2022 accounts of the Ministry of Health and Medical Services resulted in a modified audit opinion with the following:

#### Basis of Qualified Opinion

- An unreconciled variance of \$22,067 exists between the FMIS General Ledger balance and the Bank reconciliation for Cash at Bank Balance in the Trading and Manufacturing Account Bulk Purchase Scheme Balance Sheet.
- The Ministry was unable to provide detailed listing of Accounts Receivable of \$11,925 and VAT Receivable of \$19,097 recorded in the Trading and Manufacturing Account Bulk Purchase Scheme Balance Sheet.

### 22.3 Appropriation Statement

The Ministry collected revenue totalling \$6 million in 2022 and incurred expenditure totalling \$363 million and against a revised budget of \$406.7 million resulting in savings of \$43.7 million or 10.7%.

Details of expenditure against the revised budget are provided in Table 22.1.

Table 22.1: Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	211,294,266	(5,872,123)	205,422,143	192,671,512	12,750,631
2	Government Wage Earners	16,543,639	1,423,735	17,967,374	16,797,819	1,169,555
3	Travel & Communication	5,065,810	2,237,853	7,303,663	6,542,083	761,580
4	Maintenance & Operations	14,690,400	2,460,201	17,150,601	14,992,171	2,158,430
5	Purchase of Goods & Services	75,895,505	2,609,004	78,504,509	65,024,752	13,479,757
6	Operating Grants & Transfers	807,000	---	807,000	728,238	78,762
7	Special Expenditure	9,718,491	68,974	9,787,465	8,867,910	919,555
	<b>Total Operating Expenditure</b>	<b>334,015,111</b>	<b>2,927,644</b>	<b>336,942,755</b>	<b>305,624,485</b>	<b>31,318,270</b>
8	Capital Construction	6,591,793	---	6,591,793	4,633,286	1,958,507
9	Capital Purchase	11,007,043	200,000	11,207,043	8,017,182	3,189,861
10	Capital Grants & Transfers	44,340,268	---	44,340,268	39,065,051	5,275,217
	<b>Total Capital Expenditure</b>	<b>61,939,104</b>	<b>200,000</b>	<b>62,139,104</b>	<b>51,715,519</b>	<b>10,423,585</b>
13	Value Added Tax	10,701,539	(3,127,644)	7,573,895	5,647,465	1,926,430
	<b>TOTAL</b>	<b>406,655,754</b>	<b>---</b>	<b>406,655,754</b>	<b>362,987,469</b>	<b>43,668,285</b>

## 22.4 Trading and Manufacturing Account

The Bulk Purchase Scheme (BPS) is a commercial arm of the Ministry of Health's Fiji Pharmaceutical & Biomedical Supply Centre which has a revolving fund ceiling of \$500,000. Pharmaceutical sales being a restricted business, BPS has been issued a license to wholesale by the Pharmacy and Poisons Board, as per the Pharmacy and Poisons Act, Cap 115.

BPS primary purpose is to engage in the acquisition and the sale of affordable pharmaceutical products in Fiji. Since the inception in 1981, the BPS was established to source pharmaceuticals both for the Government and Non-Government sector.

The volume in terms of the inventory BPS required gave it the capacity and edge to negotiate for low prices with international traders and manufacturers. These low prices have also benefited patients accessing health services via the Private Sector and Non-Government Organizations.

Table 22.2: TMA-Manufacturing Account-Bulk Purchase Scheme

Description	2022 (\$)	2021 (\$)
<b>Sales</b>	<b>152,700</b>	<b>153,377</b>
Opening stock of Finished Goods	88,397	5,718
Add: Purchases	100,714	129,117
	<b>189,111</b>	<b>134,835</b>
Less: Closing stock of Finished Goods	31,463	88,397
<b>Cost of Goods Sold</b>	<b>157,648</b>	<b>46,438</b>
<b>Gross profit transferred to Profit &amp; Loss Statement</b>	<b>(4,948)</b>	<b>106,939</b>

**Table 22.3: TMA-Profit and Loss Statement-Bulk Purchase Scheme**

Description	2022 (\$)	2021 (\$)
<b>Income</b>		
Gross Profit transferred to Profit & Loss Statement	(4,948)	106,939
<b>Expenses</b>		
Personnel Emoluments	25,365	38,407
FNPF	1,371	1,919
Travel Domestic	1,101	1,101
Office Upkeep And Supplies	231	231
Special Fees And Charges	45	67
Lease And Rental Payments	16,514	16,514
<b>Total Expense</b>	<b>44,627</b>	<b>58,239</b>
<b>Net (Loss)/Profit</b>	<b>(49,575)</b>	<b>48,700</b>

**Table 22.4: TMA-Balance Sheet-Bulk Purchase Scheme**

Description	2022 (\$)	2021 (\$)
<b>Current Assets</b>		
Cash at Bank	440,429	434,488
Accounts Receivables	11,925	11,306
VAT Receivables	19,097	18,299
Finished Goods	31,463	88,397
<b>Total Current Assets</b>	<b>502,914</b>	<b>552,490</b>
<b>Total Liabilities</b>	---	---
<b>Net Assets</b>	<b>502,914</b>	<b>552,490</b>
<b>Equity</b>		
TMA Surplus	(599,625)	(599,625)
TMA Accumulated Surplus	1,152,114	1,103,415
Net (Loss)/Profit	(49,575)	48,700
<b>Total Equity</b>	<b>502,914</b>	<b>552,490</b>

## 22.5 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Ministry of Health and Medical Services operated and maintained five main trust fund bank accounts which includes the following:

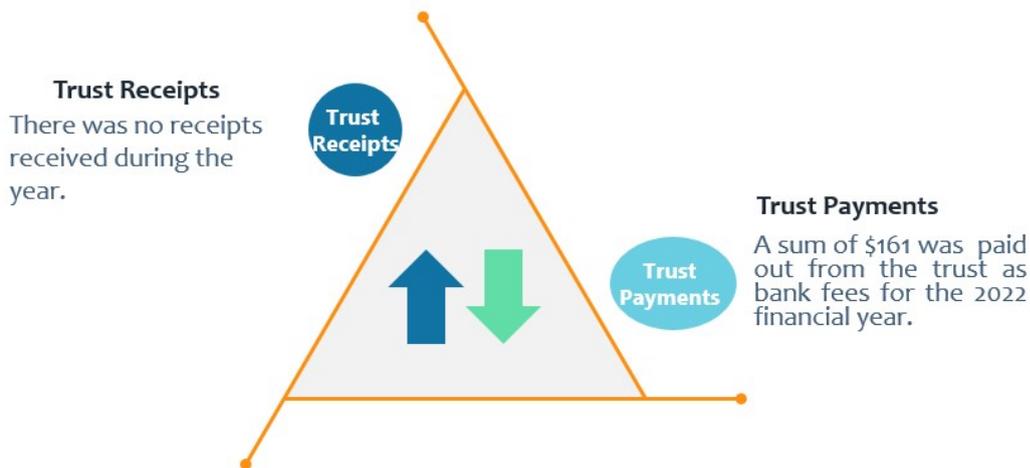
### (a) CWM Hospital Staff Amenities Trust Fund Account

This fund was set up for the emergency purchase of medicines, consumables or other medical items that are urgently required for patient care.

The CWM Hospital Staff Amenities Trust Fund account recorded no receipt in 2022 and incurred expenditure totalling \$161 resulting in a deficit of \$161 compared to \$60 in 2021.

This trust account had a balance of \$35,203 as at 31 July 2022.

**CWM Hospital Staff Amenities Trust Fund Account**



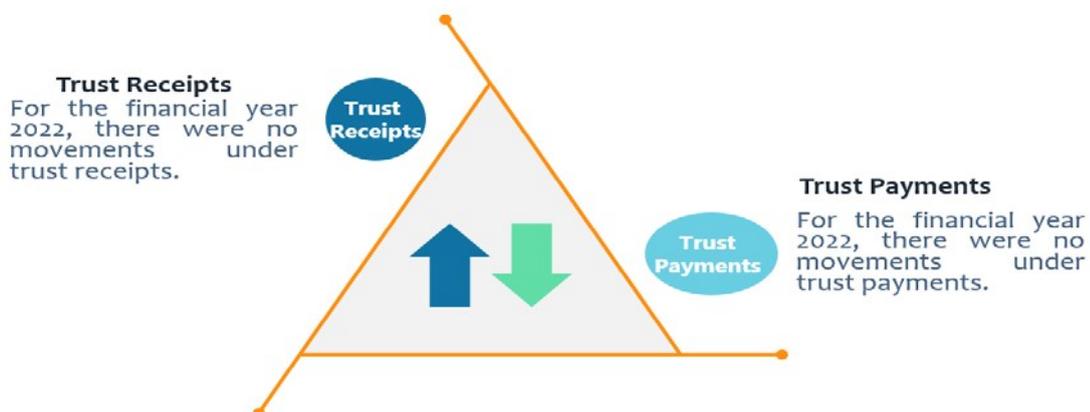
Detailed statements for the trust receipts and payments are provided in **Appendix 22.1**.

**(b) Cardiac Taskforce Trust Fund Account**

This trust account was set up to assist in the catering of the annual visit by Seventh Day Adventist Open Heart Cardiac Surgery team. Cash donations from sponsors and supporting companies are deposited into this trust account. The fund is used for registration fees for the doctors and nurses and catering for the team at the end of the visit.

The Cardiac Taskforce Trust Fund account recorded no receipt and no payments in 2022, however had carried forward balance from 2021 totalling \$652. As at 31 July 2022 it had a carried forward balance \$652.

**Cardiac Taskforce Trust Fund Account**



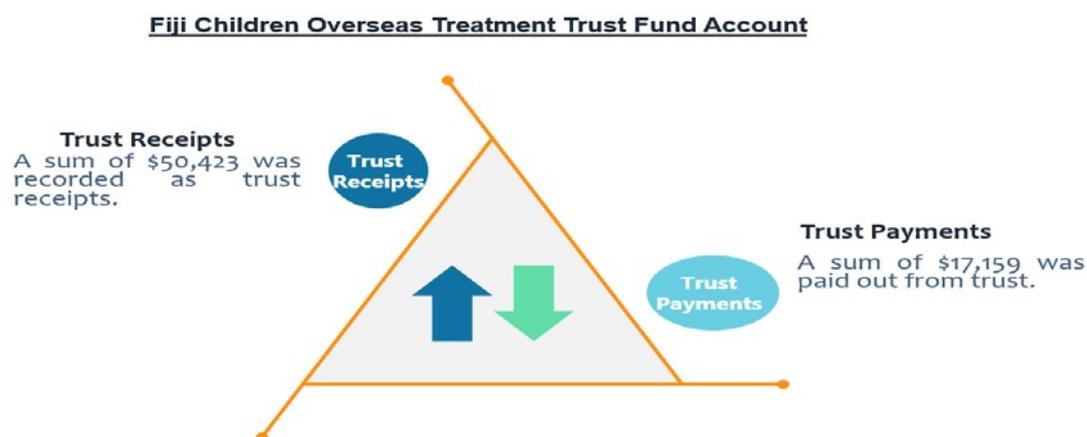
Detailed statements for the trust receipts and payments are provided in **Appendix 22.2**.

**(c) Fiji Children Overseas Treatment Fund**

The Children’s Overseas Treatment Trust Fund was initially established in the 1990s to assist in sending children overseas for operations and treatments not available in Fiji before the Ministry of Health and Medical Services had established its overseas treatment funding and guidelines. The source of funds for this account has been donations from sponsors and supporting companies. Over the years, with MOH providing more overseas treatment plus other CSO/NGOs assisting, the fund has been used to procure medicines, consumables and assist families with passports/visa preparation. This trust account receives donations from local and overseas donors and is used to buy treatments, medications and consumables related to children’s treatment not available through government funding.

The Fiji Children Overseas Treatment Fund collected trust revenue totalling \$50,423 in 2022 and incurred expenditure totalling \$17,159 resulting in a surplus of \$33,264 compared to a surplus of \$20,559 in 2021.

The balance of this account as at 31 July 2022 was \$323,725.



Detailed statements for the trust receipts and payments are provided in **Appendix 22.3**.

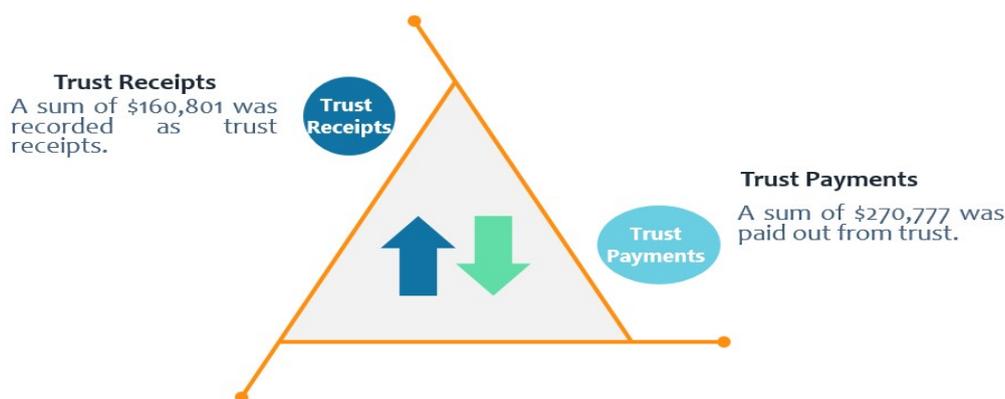
**(d) Cardiology Services Fund**

The trust fund was set up for the purchase of expensive cardiology investigation consumables. These consumables are used for diagnostic and therapeutic angiography. The source of funds for this account is the fees chargeable for the cardiology investigations offered.

The Cardiology Services Fund collected trust revenue totalling \$160,801 in 2022 and incurred expenditure totalling \$270,777 resulting in a deficit of \$109,976 compared to a deficit of \$252,894 in 2021.

Closing balance as at 31 July 2022 was \$159,920.

**Cardiology Services Trust Fund Account**



Detailed statements for the trust receipts and payments are provided in **Appendix 22.4**.

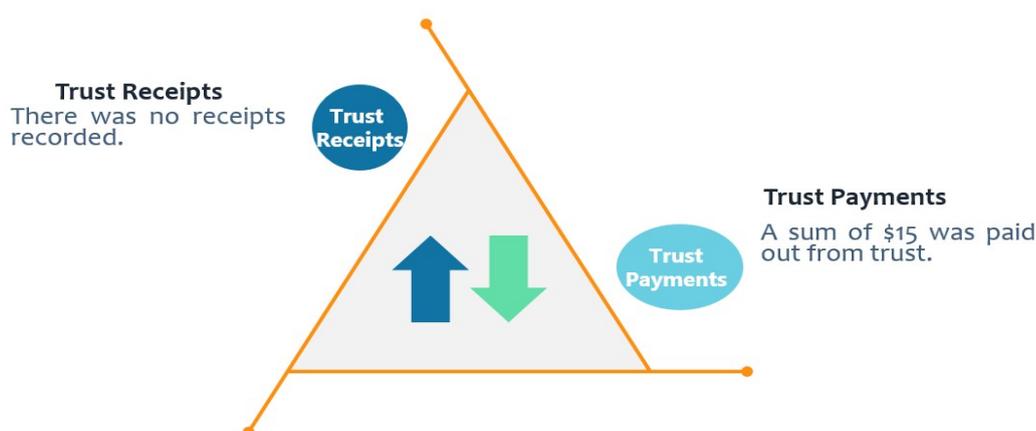
**(e) Sahyadri Trust Fund**

The Sahyadri Trust Fund was established following the Joint Venture agreement entered into between the Republic of Fiji through the Ministry of Health and Medical Services and Sahyadri Speciality Pacific Hospital Ltd in July 2012 to provide various services in cardiology, neurology and joint replacements as well as providing specialised doctors, trained paramedical staff, technicians and other health related speciality services to the general public of Fiji.

The receipts are the contributions from the patients and governments assistance to approved patients and the payments are for the services to Sahyadri Speciality Pacific Hospital Ltd. The Joint Venture agreement dated 12 July 2012 expired on 16 September, 2017 between the Government and Sahyadri Speciality Pacific Hospital Ltd (SSPHL).

An approval for the closure of the Sahyadri Trust Fund was received on the 3<sup>rd</sup> of June 2020. The remaining balances of \$21,032 in the Account was transferred to the Consolidated Fund's Operating Fund Account (Fund 1) on 20<sup>th</sup> August 2020.

**Sahyadri Trust Fund Account**



Detailed statements for the trust receipts and payments are provided in **Appendix 22.5**.

## **PART B: SIGNIFICANT MATTERS**

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matter highlighted in this report, include control weakness which *could cause or is causing* severe disruption to the process or on the ability of an auditee to achieve process objectives and comply with relevant legislation.

It is likely that this issue may have an impact on the operations of the Ministry in future, if necessary, action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2022.

### **22.6 Outstanding Overpayment Recovery Balance**

Accounts which are overdue must be promptly followed up in accordance with the debt recovery procedures in the finance manual.<sup>1</sup>

The audit noted that Ministry's outstanding overpayment recovery balance (OPR) as of 31 July 2022 was \$244,064.95 which was not recovered until the date of the audit.

Outstanding overpayment if not recovered may result in loss of public funds.

#### **Recommendations**

**The Ministry should ensure to:**

- **implement stringent internal controls on staff exits;**
- **implement salary cessation to be effected once pay cessation has been approved; and**
- **exhaust all avenues to recover salary overpayments.**

#### **Agreed Management Action**

*The significant increase in OPR is due to the increase in exit within the Ministry especially with the nursing care and health allied staff. In addition, during post covid 2021-2022 we had non-jabbed staff and notification submission process was delayed due to the impact on health service delivery as majority of staff were isolated for positive status for Covid19. Other contributing factors was the staff demise & deemed/instant resignations, where notification and confirmation to supervisors were received late. Formalization of such resignation is a lengthy and time consuming process as well. The advice to the payroll team is affected and if the current pay is closed, then salary will be ceased in the subsequent pay. These categories of resignation would result in OPR right away as salary is paid one week in advance as per the paycalendar.*

As per audit recommendation, we will ensure to implement stringent measures such as:

- *implementing more effective monitoring mechanism through checking the input registers before the pay run*

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<sup>1</sup> Finance Instructions 2010, Section 41  
Ministry of Health and Medical Services

- acting on email advise from the HR Units so cessation of salary is updated in payroll immediately.
- Formalise the exits for or retirements in a timely manner by checking the payroll report and identifying retirement dates that is reflected therein, and liaise/email our HR unit to and formalize the exit before the termination date in payroll.

## 22.7 Biochemistry machine and Endocrinology machine Parts in Transit Resulting in Outsourcing of Laboratory Services

The proper management of expenditure is fundamental to ensuring value-for-money in delivering services to the community. As well, having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over-expenditures and corruption do not occur.<sup>2</sup>

The audit noted that the Biochemistry machine Mindray BS 2000 and BS 800 and Endocrinology machine E 411 at CWM hospital was not operating from March 2020 and October 2020 respectively. Hence referrals for laboratory services were outsourced.

From August 2021 to July 2022, the Ministry incurred \$1,607,751 for various referrals and scans whilst waiting parts for Machines. Refer to the **Appendix 22.6** for illustration of machines waiting parts.

The Ministry was liaising with local Mindray agents for parts of BS 2000 and BS 800 analysers, however the expected time of arrival of the parts was not confirmed by the suppliers.

### **Recommendations**

#### **The Ministry should:**

- **escalate its discussions with suppliers for supply and installation of parts; and**
- **ensure that machines are always fully operational for efficient servicedelivery.**

### **Agreed Management Action**

*There was an urgent need of services which resulted in outsourcing of laboratory services at CWMH since the machines were not working. There were considerable delay for the supply of parts (for the machines) from our suppliers and our FPBS team have and will continue to escalate its discussions with the suppliers. Our FPBS team have a replacement plan for all our biomedical equipment's and these machines and parts were all included therein. Spare parts has been received on current equipment and there is continuous collaboration with manufacturers on error outcomes.*

*For the new purchase of replacement equipment - RFT 100/2022 - Supply, Installation & Commissioning of three (3) Integrated Chemistry & Immunoassay Modular System Analyzer for CWM, Nadi and Labasa Hospital, the GTB approval has been received and the purchase agreement negotiation is in process with the supplier and Ministry through SG's office.*

*As per audit recommendation, we will also ensure that machines are fully operational for efficient service delivery.*

<sup>2</sup> Ministry of Health and Medical Services Finance Manual 2019, Part 2 Expenditures, Introductory paragraph

## 22.8 Site Visit to CWM Hospital, Nakasi Health Centre & Nausori Health Centre

Every employer shall ensure the health and safety at work of all his or her workers.<sup>3</sup> Every employer shall ensure that persons not in his or her employment or contracts of service are not exposed to risks to their health or safety arising from the conduct of his or her undertaking while they are at his or her workplace.<sup>4</sup>

The audit team made a visit to CWM Hospital on 15/12/22, Nakasi Health Centre and Nausori Health Centre on 16/12/22 and noted areas for improvement to its facilities. Refer to Table 22.5 below for details.

**Table 22.5: Areas for Improvements for Hospital and Health Centres**

Hospital/Health Centre	Areas for Improvement
CWM Hospital  Refer to <b>Appendix 22.7</b> for illustrations captured during the site visit.	<b>Biomedical section</b> - Machines awaiting parts and accessories including Vital sign monitor, Portable X ray, phototherapy, ultrasound machine, ECG monitor, CTGs for pregnant ladies, Patient monitor, Defibrillator monitor and centrifuge.
	<b>Kitchen</b> <ul style="list-style-type: none"> <li>• Missing louvre blades</li> <li>• Damaged walls. Cracks in walls covered with cloth and cardboard pieces</li> <li>• Kitchen lift used to transport meals is not working</li> <li>• Food quality tiles are not erected</li> <li>• Damaged tiles</li> <li>• Water outlet in line with concrete floor surface which causes flooding and water has to be pushed out</li> <li>• Fridge is out of order</li> <li>• Meat room does not have stainless steel walls</li> <li>• Unhygienic environment in meat room and bad odor</li> <li>• Walk in freezer is not working due to leaking roof</li> </ul>
	<b>Pharmacy</b> <ul style="list-style-type: none"> <li>• Indicators of leaking ceiling</li> <li>• Missing ceiling boards</li> <li>• Damaged screens</li> <li>• Sodium hydrochloride and methylated spirit leaking from old taps onto floor. Use of plastic containers to collect leaking chemicals</li> <li>• Medicine placed on top on chemical drums</li> </ul>
	<b>Outside Childrens' ward</b> - Oxygen cylinder stored on passage way which can fall down.
	<b>Mammogram Screening lab</b> <ul style="list-style-type: none"> <li>• Mammogram machine not working and is covered in plastic</li> <li>• Portable x ray is not working since key to start the x ray machine is broken</li> </ul>
	<b>Maternity records room</b> - Damaged ceiling
	<b>Labour ward</b> - Missing lights
Nakasi Health Centre  Refer to <b>Appendix 22.8</b> for illustrations captured during the site visit.	<b>Admin</b> <ul style="list-style-type: none"> <li>• Male patient washroom is leaking and ceiling is missing</li> <li>• Female patient washroom doorknob is not working, washroom door is damaged and missing ceiling board</li> <li>• Cabinets are damaged</li> </ul>
	<b>Laboratory</b> <ul style="list-style-type: none"> <li>• Faded paint</li> </ul>

<sup>3</sup> Health and Safety at Work Act 1996, Section 9 (1)

<sup>4</sup> Health and Safety at Work Act 1996, Section 10 (1)

Hospital/Health Centre	Areas for Improvement
	<ul style="list-style-type: none"> <li>• Door is damaged and there are cracks on the wall</li> </ul> <p><b>Maternal Child Healthcare (MCH)</b> - Lights are not working</p> <p><b>Family planning section</b> - No lights</p> <p><b>Dental unit</b> - Blocked sink</p> <p><b>Pharmacy</b></p> <ul style="list-style-type: none"> <li>• Sodium hydrochloride stored on sink top</li> <li>• Fridge was not working</li> <li>• Missing ceiling</li> </ul> <p><b>Exterior building</b> - Missing louvre blades</p> <p><b>Back generator</b> - To be housed from sunlight and rain</p> <p><b>Auto claving machine</b> - This was not installed</p> <p><b>Septic tank</b> - The health center's septic tank does not have a soak pit to soak wastewater coming from the septic tank</p>
Nausori Health Centre  Refer to <b>Appendix 22.9</b> for illustrations captured during the site visit.	<p><b>Principal Medical Officer's Office</b></p> <ul style="list-style-type: none"> <li>• Cracked walls</li> <li>• Air conditioner was not working</li> </ul> <p><b>Staff Kitchen</b></p> <ul style="list-style-type: none"> <li>• Air conditioner not working</li> <li>• Electrical device not covered</li> <li>• Missing window</li> <li>• Damaged cabinets</li> </ul> <p><b>Outpatient rooms</b></p> <ul style="list-style-type: none"> <li>• Circuit board and electrical device not covered</li> <li>• Damaged ceiling</li> <li>• Sink outlet is in bathroom floor</li> <li>• Both doors cannot be locked</li> </ul> <p><b>X-ray room</b></p> <ul style="list-style-type: none"> <li>• X-ray viewer is not working</li> <li>• Ceiling fan and air conditioner is in the same room</li> </ul> <p><b>Outpatient</b> - Oxygen cylinders stored in outpatient area due to lack of space</p> <p><b>Family planning room</b></p> <ul style="list-style-type: none"> <li>• Door knob is jammed</li> <li>• Missing windows</li> <li>• Damaged ceiling</li> </ul> <p><b>Back entrance</b> -The back entrance has no shed, have gaps between steps and has uneven timber stairs</p> <p><b>Central Sterile Supply Department (CSSD)</b> - Lack of space thus medical supplies are stored on aisle</p> <p><b>Treatment room</b></p> <ul style="list-style-type: none"> <li>• Damaged sink.</li> <li>• Tap is not connected and is resting on sink</li> </ul> <p><b>Physio/food care</b> - Water leaking resulted in deteriorated condition of walls around door, powerpoint, underneath shelves and next to sink.</p> <p><b>Pharmacy</b></p> <ul style="list-style-type: none"> <li>• Air conditioner connected, however is not working due to electricity overload.</li> <li>• Fridge malfunction</li> <li>• Damaged ceiling</li> </ul> <p><b>Dental unit</b></p> <ul style="list-style-type: none"> <li>• Air conditioner was not working</li> <li>• Metal pipe attached to ceiling may fall down.</li> <li>• Missing windows</li> </ul> <p><b>Building exterior</b> - Damaged facier board</p>

The issues noted are due to the lack of monitoring and commitment by the respective cost centres in taking care of the hospital property.

### **Recommendation**

**The Ministry should ensure that hospital properties are well maintained and safe for everyone.**

### **Agreed Management Action**

#### **CWM Hospital**

The root cause of these issues, as per stipulated in the audit report indicated that there is lack of monitoring and commitment by the Asset Management Unit (AMU) in taking care of hospital property. However, the care of respective facilities are under the individual cost centres. Asset Management Unit only monitors approved infrastructure/capital works, while day to day repairs maintenance needs to be looked after by respective facilities. The current process is that Cost Centres identify issues, prioritise them and forward submission for funding/works to HQ, which is received and facilitated through AMU which holds the funds. AMU does not physically monitor each facility, nor does it have resources to do so. The procurement, maintenance and replacement of Biomedical equipment are looked after by FPBS.

#### **Response/update from CWMH (with regards to issues raised)**

Kitchen- Has been addressed and renovations is currently underway. The kitchen has been relocated allow repairs to commence.

Pharmacy - re-scoping of the two pharmacies to be included in the minor works plan for current financial year  
Laboratory Alarm continuously beeping in digital freezer thermometer- to contact Bio Med to work on it.

Centrifuge- Has been repaired but will need replacement-Will go through the tender process in FPBS.

Portable blood storage fridge is not working-Will request for purchase.

Blood storage fridge is borrowed from another department to store blood-Still the same –will request for purchase

Error alarms in Immunofuge- Needs to be replaced will go through the tender process in FBPS

General serum chemistry analyser-one machine is working (BS2000).A new machine is currently being installed. The training will be conducted in the third week of this month(February 2023).

Endocrinology Analysers not working-still the same. A new machine is currently being installed by Mindray but reagents and consumables has not been purchased for routine testing.

For both General Serum Chemistry and Endocrinology-Another set of machine is being purchased through the world bank which should get installed at the end of April.

Discussion with staff revealed that there is a delay in the receipt of consumables from FPBS and thus consumables available needs to be shared between labs and health centres-still borrowing or sharing.FPBS is not able to supply or meet our demands. CWMH is currently out of stock of many reagents and consumables.

Property room containing oxygen cylinders was not locked and oxygen stored in the passage way.-currently working on a SOP

#### **Nakasi Health Centre**

The root cause of these issues, as per stipulated in the audit report indicated that there is lack of monitoring and commitment by the Asset Management Unit (AMU) in taking care of hospital property. However, the care of respective facilities are under the individual cost centres. Asset Management Unit only monitors approved infrastructure/capital works, while day to day repairs maintenance needs to be looked after by respective facilities. The current process is that Cost Centres identify issues, prioritise them and forward submission for funding/works to HQ, which is received and facilitated through AMU which holds the funds. AMU does not physically monitor each facility, nor does it have resources to do so. The procurement, maintenance and replacement of Biomedical equipment are looked after by FPBS.

<p><b>Administration</b></p> <ul style="list-style-type: none"> <li>• Fire alarm is not working – As per advised by MO to be switched off.</li> <li>• Male toilet washroom is leaking and missing ceiling. Team to verify the leakage.</li> <li>• Female patient washroom door knob is not working and damaged. This has been fixed and replaced by padlock.</li> <li>• Staff change room door lock is damaged. Has been rectified by CONasinu.</li> <li>• Staff cabinet are rusty . Boarded and awaiting for BOS report from MOF.</li> <li>• Poor plumbing in treatment room. Has been repaired by the Divisional Plumber.</li> <li>• Cabinet are damaged- Boarded and awaiting for BOS report from MOF.</li> </ul> <p><u>Laboratory.</u> Faded paint- To be addressed by our Maintenance team .</p>	<p><b>Sluice Room</b></p> <ul style="list-style-type: none"> <li>• Door is damaged and cracks on the wall. It was caused by the shifting of the new washing machine.</li> </ul> <p><u>Maternal Child Health Care –MCH</u></p> <ul style="list-style-type: none"> <li>• Light are not working. RFQ done and awaiting for team Rewa to do evaluation process.</li> </ul> <p><u>Family Planning Section</u></p> <ul style="list-style-type: none"> <li>• No light – being addressed.</li> </ul> <p><u>Main Door-</u> being fixed by our Divisional Carpenter.</p> <p><u>Dental Unit</u> Blocked Sink- being cleared by Divisional Plumber.</p>
<p><b>Pharmacy</b></p> <ul style="list-style-type: none"> <li>• Fridge not working. Staff were told to switch off because of no drainage system.</li> <li>• Lack of space to store medicine. Management has re arranged of their stores.</li> <li>• Sodium hydrochloride stored on sink top . Has addressed by the team .</li> </ul> <p><u>Autoclave Machine</u></p> <ul style="list-style-type: none"> <li>• This was not installed. The machine has been taken by the contractor for repair.</li> </ul> <p><u>Back Generator</u></p> <ul style="list-style-type: none"> <li>• To be housed from sunlight and rain. The shed has been constructed by Divisional Maintenance Team .</li> </ul> <p><u>Water Purifier</u> To be serviced. Being attended by the plumber.</p>	<p><b>Whole Buildings</b></p> <ul style="list-style-type: none"> <li>• Flood lights not working on both sides of the buildings. Being arranged with team CWMH to rectify this issue.</li> <li>• Signage board is damaged – AMU is currently looking for contractor for all sign boards of health facilities.</li> <li>• Air Con- Vendor repaired the AC on 11.3.23.</li> </ul> <p><u>Septic Tank</u></p> <ul style="list-style-type: none"> <li>• No soak pit- Works being carried out by private contractor as from 1/3/23.</li> </ul> <p><u>Hot Water Facility.</u> Not working- To be checked by an electrician from CWMH.</p>

**Nausori Health Centre**

The root cause of these issues, as per stipulated in the audit report indicated that there is lack of monitoring and commitment by the Asset Management Unit (AMU) in taking care of hospital property. However, the care of respective facilities are under the individual cost centres. Asset Management Unit only monitors approved infrastructure/capital works, while day to day repairs maintenance needs to be looked after by respective facilities. The current process is that Cost Centres identify issues, prioritise them and forward submission for funding/works to HQ, which is received and facilitated through AMU which holds the funds. AMU does not physically monitor each facility, nor does it have resources to do so. The procurement, maintenance and replacement of Biomedical equipment are looked after by FPBS.

**Response/update from Central Division**

The Nausori Health Centre needs major repair works to be undertaken by Ministry of Works as the building was built by PWD. An option for building a new Nausori Hospital has been discussed over the years with various stakeholders and we are hoping that a positive outcome will be made in a not too distant future.

## 22.9 Double Payment for a Vendor Being Processed

The Cost Centre Accounting Head or Accounts Supervisor must not certify a payment as correct unless they are satisfied that the account is not fraudulent and has not been previously paid.<sup>5</sup>

The Ministry paid a Vendor twice on the same invoice dated 15/07/2021 amounting to \$162,683.65 (VIP). Refer to Table 22.6 below for details.

**Table 22.6: Details of Double Payment**

Date	SEG	Payment Voucher No.	Payment ID	Invoice Number	VIP (\$)	VEP (\$)
05/08/2021	5	486853	93356	300965-15.07.2021	162,683.65	149,251.06
14/09/2021	10	490101	94697	300965-15.07.2021	162,683.65	149,251.06

Despite the invoices being stamped as paid, double payments were made. The findings indicate lack of supervisory checks within the accounting section to ensure that the requirements of the Finance Manual are complied with.

### Recommendations

#### The Ministry should:

- liaise with the Vendor for recovery of double payment and investigate the reasons for double payment;
- surcharge action against the Accountant responsible for payments; and
- ensure that immediately after payment has been made, the supporting documents must be stamp paid to avoid any double payments.

### Agreed Management Action

*We admit that there was a double payment. The number of COVID-19 cases started to increase by June 2021. Fiji hit its highest numbers in July to August 2021.*

*During this period, Fiji was rapidly expanding isolation and quarantine facilities, accelerating vaccination efforts and at the same time trying to protect and maintain its response capacity by operating through the bubble system and accommodating the response teams in hotels. Everything was escalating around that period including the payments. However, this should not be the excuse for this and our Covid Finance Team should have been more vigilant and conduct their internal checks and balances as per stipulated in the finance regulations.*

*As per the audit recommendations, the Ministry will ensure that the responsible officers at the Covid Response Unit will surely liaise with the Vendor for the recovery of double payment.*

## 22.10 Variance in VAT on Revenue for Bulk Purchase Scheme (BPS)

The ledger reconciliation statement shall be forwarded to the Principal Accounts Officer. The Principal Accounts Officer must ensure that all balances are accurate and adequately supported.<sup>6</sup>

<sup>5</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 2.8.5 (iv)

<sup>6</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 16.3.6

The audit noted that the Trading and Manufacturing Account Balance Sheet recorded VAT on Revenue balance of \$19,097 as at 31/07/2022. Review of the Statement of VAT Account from FRCS showed closing balance of \$585.29. Hence, the variances are shown in the Table 22.7 below.

**Table 22.7: VAT on Revenue Variance**

Description	Amount (\$)
VAT on Revenue (863201)	19,097.09
Balance as per Statement of VAT Account (SVA) 31/07/22	585.29
<b>Variance</b>	<b>18,511.80</b>

The VAT on revenue posting in the FMIS system are not performed correctly. As a result, the audit is unable to substantiate the correctness of TMA VAT on Revenue balances at year end.

### **Recommendation**

**The Ministry should ensure that all general ledger balances are properly supported and reconciled on a regular basis and ensure that correct balances are reflected on the Financial Statements.**

### **Agreed Management Action**

*Reconciliation has been done against invoicing and posting amount. Variance amount to be JV as it is punching error.*

## **22.11 Anomalies in Procurement and Payments**

The Cost Centre Accounting Head or Accounts Supervisor must not certify a payment as correct unless they are satisfied that:

- i. it is in accordance with an LPO, indent, contract, invoice or other authorization;
- ii. there is documentation that the goods, services or works have been received;
- iii. sufficient uncommitted funds are available for payment of the account;
- iv. the account is not fraudulent and has not been previously paid;
- v. The expenditure account it is charged to be correct.<sup>7</sup>

Immediately after payment has been effected, the cashier must stamp “paid” on all vouchers and supporting documentation to avoid any double payments.<sup>8</sup> Any errors or misallocations must be immediately adjusted by way of journal vouchers.<sup>9</sup>

Audit review of the payment vouchers and supporting documents noted the following anomalies:

### **Operating Fund**

- Payment voucher and supporting documents were not stamped “PAID”.

<sup>7</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 2.8.5

<sup>8</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 2.8.16

<sup>9</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 16.3.4

- Tender approval were not attached to payment vouchers. On 15/02/22, the Ministry of Economy endorsed a retrospective approval for payment made to Vendor A of \$239,560 VIP. However, there was no tender approval sighted for subsequent payments made to Vendor A.

### **COVID-19 Contingency Fund**

Local purchase orders were not issued and payments were facilitated based on the invoices sent in by the Border Protection Health Unit and tender approval or waiver of tender was not provided for audit purposes.

### **Bulk Purchase Scheme Trading and Manufacturing Account**

- Requisition forms, local purchase orders (LPO) and invoices were not attached to the monthly drugs purchases vouchers.
- Payment vouchers and supporting documents were not stamped “PAID”.

Refer to **Appendix 22.10** for details.

The findings indicate that on certain occasions proper payment procedures were not followed when procuring goods and services. Inconsistent application of internal controls increases the risk of unauthorized and uneconomical purchases and mis-postings into FMIS general ledger.

### **Recommendations**

#### **The Ministry should:**

- **ensure that all payment vouchers and related source documents are stamped “paid” immediately after payment has been effected;**
- **strengthen internal control measures for payments and ensure that payment processes are strictly followed at all times; and**
- **strengthen supervisory and review functions.**

### **Agreed Management Action**

#### **Operating Fund and COVID-19 Contingency Fund**

*The audit recommendations by the auditors is duly noted and we will strengthen our procurement and payment processes moving forward. Audit issues and recommendations has also been discussed with responsible officers.*

*Further comments for issue as per Appendix 4B:*

*Payment - \$219,779.82 there was a retrospective approval and it was missed out when scanning the documents to the auditors.*

*\$15,790.84 this was a direct payment for unpaid invoices related to delivery of food rations during the COVID Pandemic outbreak of 2020 and 2021. Purchase Orders was initially raised but some invoices were missed out during payments.*

*\$4,672.81 the bills payment usually processed with a minute from Telephone Operator but was not submitted when this bill was processed, but the audit remarks is noted and this high telecom bills was highlighted in the management meeting at Lautoka hospital, and after few months , the bills normalized around \$2,000 per month after control measures were implemented.*

Payments (Jan /Feb / March 2022) –was the outsourced service provider of CT scans for Lautoka hospital as there was only two providers in the Western Division being Vendor A and Vendor B. The main preference of Vendor A over Vendor B was that Vendor A operate 24 hours and provides all required radiology services, while Vendor B is limited and only operates during the day. The Lautoka Hospital budget for Outsourced Radiology Services was only introduced in the revised budget in April 2022 amounting to \$220,000 while there were delays in verification of invoices from Radiology department and Closing of Accounts had also started, the payments were processed using the daily drawings limit and unfortunately the retrospective approval was overlooked since Vendor C transition had already started then, and there was urgent need for us to clear our outstanding payments while budget was still available

The purchase order was raised in June 2022 with 15% Vat applied. It was incorrectly vouchered in July 2022 during close of accounts through Direct Vouchering on 9% Vat, thus the reason for the variance. It has been discussed with vouchering clerk and agreed upon that this was overlooked by the vouchering officer and selection officer. We have also discussed to be more vigilant when addressing cases relating to 15% Vat when applied in the vouchering panel & important difference of 101ST(9%) &101(15%).

### **Bulk Purchase Scheme Trading and Manufacturing Account**

The Bulk Purchase Scheme (BPS) at FPBS only maintains copies of Payment Vouchers. Original Payment Vouchers is sent to our Ministry's headquarters (Finance) for payment purposes. Thus, the main vouchers which are stamped paid are maintained at our Ministry's headquarters and not with BPS as raised herewith in this report as an audit issue.

As per audit recommendation, the Ministry will continue to comply with appropriate regulations.

## **22.12 Arrears of Revenue**

Accounts which are overdue must be promptly followed up in accordance with the debt recovery procedures in the finance manual.<sup>10</sup>

The audit noted that the Ministry recorded arrears of revenue amounting to \$405,824 as at 31 July 2022. The arrears of revenue were in respect of quarantine fees owed by airlines and shipping companies and hospital fees due from insurance companies. \$215,425 or 53% of revenue were in arrears for more than one year. Refer to Table 22.8 below for details.

**Table 22.8: Ageing of Arrears of Revenue**

Ageing	Arrears of Revenue Ageing (\$)	Percentage (%)
3 Months	83,565.64	21%
6 Months	67,051.91	17%
9 Months	39,781.69	10%
1 Year & Over	94,765.11	23%
2 – 5 Years	75,290.76	19%
Over 5 Years	45,368.83	11%
<b>Total</b>	<b>405,823.94</b>	<b>100%</b>

Due to delays in recovery of arrears of revenue, there is high risk of arrears of revenue becoming irrecoverable and written-off resulting in loss of government revenue.

<sup>10</sup> Finance Instructions 2010, Section 41

**Recommendation**

**The Ministry should take appropriate steps to follow up in order to recover the arrears of revenue.**

**Agreed Management Action**

*The Ministry will further strengthen the coordination and recovery process from its 28 stations that has revenue arrears. We will also take appropriate steps this financial year to write off some of the arrears which has been outstanding for more than five (5) years.*

*The Ministry have established the Revenue Management SOP and we have captured therein detailed processes of recovery of revenue, writing off and managing arrears of revenue.*

**22.13 Anomalies in Operating Trust Fund Accounts**

The ledger reconciliation statement shall be forwarded to the Principal Accounts Officer. The Principal Accounts Officer must ensure that all balances are accurate and adequately supported and any misallocations or outstanding balances from the previous month have been dealt with.<sup>11</sup>

The Operating Trust Fund account had a balance of \$2,468,653.89 as at 31 July 2022. Audit noted the following anomalies:

- Contrary to the nature of the account, certain Operating Trust Fund Accounts had debit balances totalling to \$23,939.83. Refer to the **Appendix 22.11** for examples.
- Accounts with credit balances as at 31/07/22 had a balance of \$2,492,593.72. In August 2022, there was movement of only \$91,792.90. This indicates that there are carried forward balances in the Operating Trust Fund Account maintained by the Ministry. Refer to the **Appendix 22.12** for details.

Debit balances indicates that trust fund accounts were overdrawn.

Failure to promptly investigate and rectify the significant balances has resulted in the substantial balance for the operating trust fund account.

**Recommendation**

**The debit balance and balance carried forward should be reviewed with the Ministry liaising with Ministry of Finance to make the necessary accounting adjustments.**

**Agreed Management Action**

*The Operating Trust Fund have anomalies due to the following:*

- *Late adjustment done to allocations within a period after issue of GL report from MoF. The GL report is used in the preparation of Reconciliation which affects the changes in opening and closing balance for a particular allocation. Please refer to attachment to support this as it was evident in the allocation for PD Fines and Treasury.*

<sup>11</sup> Ministry of Health and Medical services Finance Manual 2019, Section 16.3.6

- It is also noted that there are debit balance within the allocation which contravenes the nature of the liability account. This is primarily due to late clearance by our salary team or clearance done but a possibility of a different trust allocation being used for clearing the accounts.
- The team is currently working on identifying resolution for proper clearance of debit balance.

## 22.14 Misallocation of Expenditures – Recurring Issue

The Cost Centre Accounting Head or Accounts Supervisor must not certify a payment as correct unless they are satisfied that it is in accordance with Section 2.8.5 of the Finance Manual.<sup>12</sup>

The audit of the payment vouchers noted that the Ministry charged expenditures to incorrect allocations during the year which were not regularised at the end of the financial year.

Refer to Table 22.9 for summary of expenditure misallocation by SEGs and **Appendix 22.13** for details of misallocations.

**Table 22.9: Net Effect of Misallocation**

SEG	Population (\$)	Misstatement – Net Effect (\$)
SEG 1	192,671,512	Understated by \$2,190.00
SEG 3	6,542,083	Understated by \$114,036.73
SEG 4	14,992,171	Understated by \$46,819.77
SEG 5	65,024,752	Overstated by \$240,877.19
SEG 7	8,867,910	Understated by \$400.00
SEG 10	39,065,051	Understated by \$33,357.80

The findings indicate that the Ministry did not regularize misposting during the closing of accounts process resulting in misstatement of expenditure groups.

### **Recommendations**

**The Ministry should ensure that:**

- all transactions are posted to the correct allocations in the FMIS ledger; and
- any errors or misallocations must be adjusted by way of journal vouchers or regularized during the closing of accounts period.

### **Agreed Management Action**

#### DMO West Misallocation (AO West)

Payments were done from this allocation - awaited Virement approval for journalising of misallocation, however, this did not eventuate as vired funds were insufficient to cover for both ambulance payments and medical bills.

Laundry allocation was used - awaited the Virement approval, however \$60,000 vired funds was not sufficient to journalise all misallocations.

#### CWMH Allocation

For CWMH there was only one misallocation out of the 8 reflected in the report. Will adhere to recommendation register has opened to record all misallocations that will need regularising at the end of the FY 2022-2023

<sup>12</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 11.4.1

Lautoka Hospital Misallocation

The Appropriation for General Stores is only \$300,000 which is not always sufficient given the high demand in consumables and supplies especially in maintaining infection control where our normal utilization is around \$50,000 per month. Towards the end of the financial year, Journals were prepared to address the misallocations but the journal did not go through as some allocations to Debit from did not have adequate balance mainly General Stores allocation. Therefore awaiting virement to be processed at HQ during closing of accounts in order to process the Journal adjustment. By the time the Virement was loaded, the due date for posting supplementary journals for FY 2021 – 2022 had lapsed therefore journal adjustment was not processed and resulting in a surplus balance in that allocation.

Telecom initial budget of \$30,000 was Appropriation for use to cover bills from July 2021 to March 2022 (9 months) where our total Telecom bills totaled \$49,475.97 VIP. Only in April 2022 then an additional \$20,000 was approved in the government revised budget but was still not adequate to cover the bills for the 12 months.

**22.15 Unrecorded Prior Year TMA Sales and Payments – Recurring Issue**

The Cashiers together with the delegated Accounting Officer should ensure that the payment processes is scheduled in the General Ledger (GL350) on a daily basis.<sup>13</sup> After reconciling details in the cash books, the Accounts Supervisor shall submit the cash books, duplicate receipts and lodgment forms to the Data Entry clerk for posting into the General Ledger.<sup>14</sup>

The audit noted variances between the TMA Cash Book reconciliations and the Cash General Ledger ending balance. Refer to the Table 22.10 below for details.

**Table 22.10: Variances Between TMA Cash Book Reconciliations and the Cash General Ledger**

Financial Year	Cash Book & Bank Statement Reconciliation (\$)	General Ledger Balance (\$)	Variance (\$)
2020	495,178.78	471,412.44	23,766.34
2021	457,597.04	434,488.38	23,108.66
2022	462,496.46	440,429.32	22,067.14

This could be due to direct payments not being receipted which has resulted in the variances.

**Recommendations****The Ministry should ensure that:**

- proper sales records are kept and is recorded in the FMIS GL on a regular basis; and
- the cash balances as per the FMIS GL is reconciled on a monthly basis against the cash at bank balances.

**Agreed Management Action**

This is an on-going issue for which BPS is currently in discussion with FMIS and AMU - Ministry of Finance to rectify and resolve by end of FY 22-23.

<sup>13</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 2.8.20

<sup>14</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 5.5.4  
Ministry of Health and Medical Services

Unposted receipt, these are direct deposit payment wef 2018 which were not receipted. Reason was that documents such as invoices were not located. As for unposted payments, posting were done and schedule through GL 350. We cannot locate the amount of \$2,450.66 as all payments were schedule in GL 350 and went through.

## 22.16 Absence of TMA Accounts Receivable Listing – Recurring Issue

A register of debtors shall be maintained to record details of people or organizations that have been approved to buy goods or services on credit from the agency.<sup>15</sup>

The audit noted that there was no Accounts Receivables listing maintained to support the balance of \$11,925 recorded in the FMIS general ledger as at 31 July 2022. Refer to Table 22.11 below for details.

**Table 22.11: TMA Accounts Receivable**

Allocation	2020 (\$)	2021 (\$)	2022 (\$)
AR Companies (560102)	4,908.66	4,949.66	5,482.16
AR Individuals (560103)	5,369.41	6,356.11	6,443.11
<b>Total</b>	<b>10,278.07</b>	<b>11,305.77</b>	<b>11,925.27</b>

Additionally, debtors' reconciliation was not carried and the balances have been carried forward from prior years. As a result, the audit was unable to substantiate the TMA Accounts receivable balances at year end.

### **Recommendations**

**The Ministry should ensure that:**

- **proper invoicing and receipting process in the FMIS is followed at all times; and**
- **all general ledger balances are properly supported and reconciled on a regular basis. Any errors or misstatement to be adjusted accordingly.**

### **Agreed Management Action**

*TMA does not have any receivable listing, as all payments are received and invoicing, posting are schedule in the GL 350. Thus, when final reports are run by FMIS, some posting did not go through. These has been reflected in GL670 as AR individuals.*

*We have reconciled the amount against the AR# and TR# that has been posted and amount to be journalized.*

<sup>15</sup> Ministry of Health and Medical Services Finance Manual 2019, Section 9.1.2

## PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

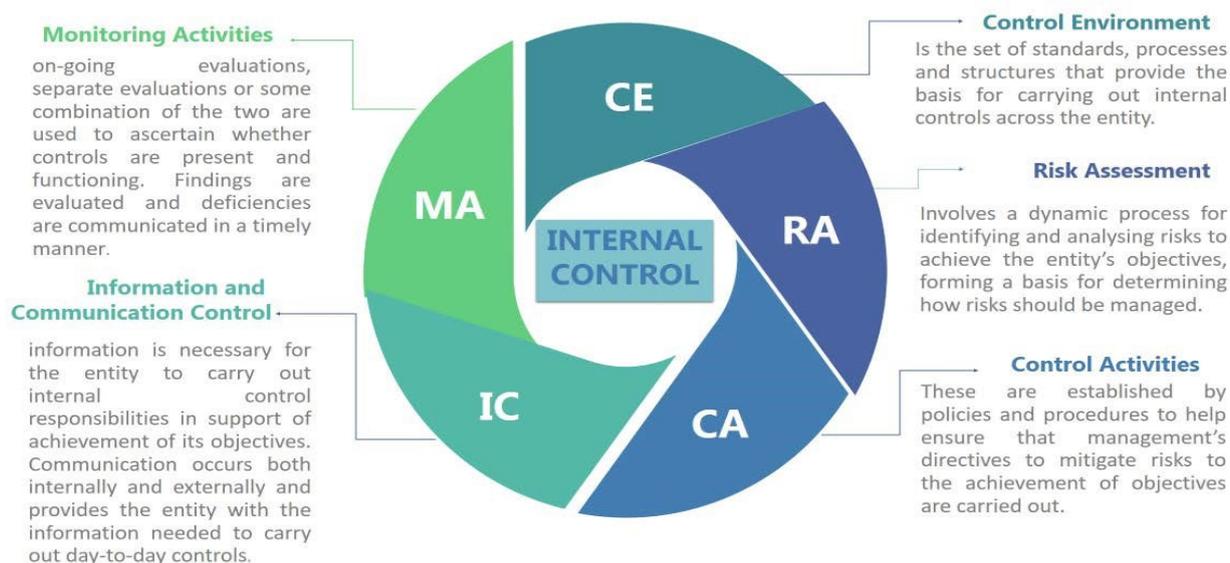
### 22.17 Internal Controls

During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

A *deficiency* occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing.

A *significant deficiency* is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

Internal controls are categorized against the following five components of internal control.



A summary of assessment of key controls based on our audit was as follows:

Control Environment	Risk Assessment	Control Activities	Information & Communication Control	Monitoring Activities
☀	☀	☠	☀	☠

In view of the above, we have assessed the internal controls of the Ministry as:

Rating	Internal control assessment
☀ Generally effective	Some deficiencies identified in internal controls

## 22.18 Submission of FY 2022 Draft Agency Financial Statements

On 29 April 2022, Permanent Secretary for Economy issued Circular No. 06/2021 - 2022 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2022 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2022	✓	Processing of virements by 19 August 2022	✗
Retirement of imprests by 15 July 2022	✗	Completion of reconciliations by 26 August 2022	✓
Processing of payments by 28 July 2022	✓	Submission of arrears of revenue return by 26 August 2022	✓
Clearance of stale cheques by 05 August 2022	✓	Clearance of Inter-departmental clearance accounts by 08 August 2022	✗
Closing date for journal adjustments by 17 August 2022	✗	Annual Board of Survey on Drawings Account cheques by 26 August 2022	✓

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Based on information received, we have assessed the year-end close process as:

Rating	Year-end close process assessment
🌟 Generally effective	6 of 10 key processes completed within two weeks of due date

## 22.19 Quality of Draft Financial Statements by Entities

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the impact these adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment for the Ministry was:

Rating	Quality of draft financial statements
🌟 Effective	No adjustments were required

## 22.20 Timeliness of Draft Financial Statements

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of draft financial statements assessment
☀ Generally effective	Acceptable draft financial statements received on or before 31 October 2022.

## 22.21 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
☹ Ineffective	After 21 days from issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
☀ Generally effective	Within 15 days from issue of Financial Statements for signing

**APPENDIX 22.1: CWM Hospital Staff Amenities Trust Fund**

Description	2022 (\$)	2021 (\$)
Receipts	---	---
<b>Total Receipts</b>	---	---
Payments	161	60
<b>Total Payments</b>	<b>161</b>	<b>60</b>
Net (Deficit)	(161)	(60)
Opening Balance as at 01/08/21	35,364	35,424
<b>Closing Balance as at 31/07/22</b>	<b>35,203</b>	<b>35,364</b>

**APPENDIX 22.2: Cardiac Taskforce Trust Fund**

Description	2022 (\$)	2021 (\$)
Receipts	---	84
<b>Total Receipts</b>	---	<b>84</b>
Payments	---	294
<b>Total Payments</b>	---	<b>294</b>
Net (Deficit)	---	(210)
Opening Balance as at 01/08/21	652	862
<b>Closing Balance as at 31/07/22</b>	<b>652</b>	<b>652</b>

**APPENDIX 22.3: Fiji Childrens Overseas Treatment Trust Fund**

Description	2022 (\$)	2021 (\$)
Receipts	50,423	25,269
<b>Total Receipts</b>	<b>50,423</b>	<b>25,269</b>
Payments	17,159	4,710
<b>Total Payments</b>	<b>17,159</b>	<b>4,710</b>
Net Surplus	33,264	20,559
Opening Balance as at 01/08/21	290,461	269,902
<b>Closing Balance as at 31/07/22</b>	<b>323,725</b>	<b>290,461</b>

**APPENDIX 22.4: Cardiology Services Trust Fund**

Description	2022 (\$)	2021 (\$)
Receipts	160,801	20,165
<b>Total Receipts</b>	<b>160,801</b>	<b>20,165</b>
Payments	270,777	273,059
<b>Total Payments</b>	<b>270,777</b>	<b>273,059</b>

Description	2022 (\$)	2021 (\$)
Net (Deficit)	(109,976)	(252,894)
Opening Balance as at 01/08/21	269,896	522,790
<b>Closing Balance as at 31/07/22</b>	<b>159,920</b>	<b>269,896</b>

### APPENDIX 22.5: Sahyadri Trust Fund

Description	2022 (\$)	2021 (\$)
Receipts	---	---
<b>Total Receipts</b>	<b>---</b>	<b>---</b>
Payments	15	21,032
<b>Total Payments</b>	<b>15</b>	<b>21,032</b>
Net (Deficit)	(15)	(21,032)
Opening Balance as at 01/08/21	15	21,047
<b>Closing Balance as at 31/07/22</b>	<b>---</b>	<b>15</b>

### APPENDIX 22.6: Biochemistry machine and Endocrinology machine were Waiting Parts

		
Figure 1: Biochemistry machine Mindray BS 2000 was not working since March 2020	Figure 2: Biochemistry machine Mindray BS 800 was not working since March 2020	Figure 3: Endocrinology machine E 411 was not working since October 2020

### APPENDIX 22.7: Site Visit - CWM Hospital

#### CWM Hospital Biomedical Section – Site Visit dated 15/12/2022





Figure 4 - 14: Machines awaiting parts and accessories including Vital sign monitor, Portable X ray, phototherapy, ultrasound machine, ECG monitor, CTGs for pregnant ladies, Patient monitor, Defibrillator monitor and centrifuge.

**CWM Hospital Kitchen – Site Visit dated 15/12/2022**

<p>Figure 15: Missing louvre blades</p>	<p>Figure 16: Missing louvre blades</p>	<p>Figure 17: Damaged walls. Cracks in walls covered with cloth and cardboard pieces</p>	<p>Figure 18: Kitchen lift used to transport meals is not working for 3 years</p>
<p>Figure 19: Food quality tiles are not erected</p>	<p>Figure 20: Damaged tiles</p>	<p>Figure 21: Water outlet in line with concrete floor surface which causes flooding and water has to be pushed out</p>	<p>Figure 22: Fridge is out of order</p>
<p>Figure 23: Meat room does not have stainless steel walls</p>	<p>Figure 24: Unhygienic environment in meat room and bad odor</p>	<p>Figure 25: Walk in freezer is not working due to leaking roof</p>	

**CWM Hospital Pharmacy and Outside Children’s Ward – Site Visit dated 15/12/2022**

			
Figure 26: Indicators of leaking ceiling	Figure 27: Missing ceiling boards	Figure 28: Damaged screens	
			
Figure 29 & 30: Sodium hydrochloride and methylated spirit leaking from old taps onto floor. Use of plastic containers to collect leaking chemicals	Figure 30: Sodium hydrochloride and methylated spirit leaking from old taps onto floor. Use of plastic containers to collect leaking chemicals	Figure 31: Medicine placed on top on chemical drums	Figure 32: Oxygen cylinder stored on passage way which can fall down

**CWM Hospital Mammogram Screening Lab and Patient Ward – Site Visit dated 15/12/2022**

			
Figure 33: Mammogram machine not working and is covered in plastic	Figure 34: Portable x ray is not working since key to start the x ray machine is broken	Figure 35: Damaged ceiling at Maternity records section	Figure 36: Missing lights at labor ward

**APPENDIX 22.8: Nakasi Health Centre - Site Visit dated 16/12/2022**

			
Figure 37: Male patient washroom is leaking and ceiling is missing	Figure 38 & 39: Female patient washroom door knob is not working, washroom door is damaged and missing ceiling board	Figure 39: Female patient washroom door knob is not working, washroom door is damaged and missing ceiling board	Figure 40: Cabinets are damaged
			
Figure 41: Faded paint	Figure 42: Door is damaged and there are cracks on the wall	Figure 43: Lights are not working	Figure 44: No lights inside the room.

**APPENDIX 22.8: Nakasi Health Centre - Site Visit dated 16/12/2022 (Continued)**

			
Figure 45: Blocked sink	Figure 46: Sodium hydrochloride stored on sink top	Figure 47: Fridge is not working	Figure 48: Missing ceiling
			
Figure 49: Missing louvre blades	Figure 50: Backup generator to be housed from sunlight and rain	Figure 51: Auto claving machine was not installed	Figure 52: The health center's septic tank does not have a soak pit to soak wastewater coming from the septic tank.

**APPENDIX 22.9: Nausori Health Centre - Site Visit dated 16/12/2022**

			
Figure 53: Cracked walls	Figure 54: Air conditioner not working	Figure 55: Air conditioner not working	Figure 56: Electrical device not covered
			
Figure 57: Missing window	Figure 58: Damaged cabinets	Figure 59: Circuit board and electrical device not covered	Figure 60: Damaged ceiling
			
Figure 61: Sink outlet is in bathroom floor	Figure 62 & 63: Both doors cannot be locked		Figure 64: X-ray viewer is not working

**APPENDIX 22.9: Nausori Health Centre - Site Visit dated 16/12/2022 (Continued)**

			
<p>Figure 65: Ceiling fan and air conditioner is in the same room</p>	<p>Figure 66: Oxygen cylinders stored in outpatient area due to lack of space</p>	<p>Figure 67: Door knob is jammed</p>	
			
<p>Figure 68: Missing windows</p>	<p>Figure 69: Damaged ceiling</p>	<p>Figure 70 &amp; 71: The back entrance has no shed, have gaps between steps, uneven timber stairs</p>	
			
<p>Figure 72 &amp; 73: Lack of space thus medical supplies are stored on aisle</p>		<p>Figure 74 &amp; 75: Damaged sink. Tap is not connected and is resting on sink</p>	
			
<p>Figure 76, 77, 78 &amp; 79: Water leaking resulted in deteriorated condition of walls around door, powerpoint (circled), underneath shelves and next to sink.</p>			
			
<p>Figure 80: Air conditioner is connected however was not working due to electricity overload</p>	<p>Figure 81: Fridge malfunction:</p>	<p>Figure 82: Damaged ceiling</p>	<p>Figure 83: Air conditioner was not working</p>

**APPENDIX 22.9: Nausori Health Centre - Site Visit dated 16/12/2022 (Continued)**

		
Figure 84: Metal pipe attached to ceiling may fall down	Figure 85: Missing windows	Figure 86: Missing windows

**APPENDIX 22.10: Lack of Supporting Documentation - No Tender Approvals/Waiver, Requisition Form, Local Purchase Order, Invoices and Not Stamped “Paid”**

Date	Cheque/EFT/ Journal No.	Amount (\$)	Comments
<b>Operating Fund</b>			
<b>Payment voucher and supporting documents not stamped “PAID”</b>			
<b>SEG 5</b>			
19/09/2021	489735	15,790.84	Payment voucher and supporting documents not stamped 'PAID'.
<b>SEG 10</b>			
16/09/2021	490402 / 94967	868,818.75	Payment voucher and supporting documents not stamped 'PAID'.
23/08/2021	FAM 30 / WAMOH-19	391,950.64	Payment voucher and supporting documents not stamped 'PAID'.
13/09/2021	FAM 51 / WAMOH-24	341,318.40	Payment voucher and supporting documents not stamped 'PAID'.
19/08/2021	FAM 30 / WAMOH-21	303,291.21	Payment voucher and supporting documents not stamped 'PAID'.
19/08/2021	FAM 30 / WAMOH-21	303,291.21	Payment voucher and supporting documents not stamped 'PAID'.
23/08/2021	FAM 30 / WAMOH-20	233,995.20	Payment voucher and supporting documents not stamped 'PAID'.
<b>Tender approval were not attached to payment vouchers</b>			
29/06/2022	525384	38,348.62	Payments made to Vendor A of \$116,715.60 were in excess of \$50,000 and there was no tender approval sighted
07/07/2022	525665	37,055.05	
08/07/2022	526178	7,055.05	
27/06/2022	525077	34,256.88	

Date	Cheque/EFT/ Journal No.	Amount (\$)	Comments
<b>COVID-19 Contingency Fund - Tender approval or waiver of tender not provided</b>			
14/09/2021	94696	1,646,207.38	Tender Approval or Waiver of Tender was not provided
14/09/2021	94697	545,560.72	Tender Approval or Waiver of Tender was not provided
14/09/2021	94706	565,805.00	Tender Approval or Waiver of Tender was not provided
14/09/2021	94713	1,241,153.00	Tender Approval or Waiver of Tender was not provided
27/07/2022	112381	1,984,177.71	Tender Approval or Waiver of Tender was not provided
<b>Bulk Purchase Scheme Trading and Manufacturing Account</b>			
<b>Lack of Supporting Documentation - No Requisition Form, Local Purchase Order (LPO), Invoices and Not Stamped "Paid"</b>			
26/08/2021	488294	8,892.98	No requisition and LPO form
24/09/2021	491308	6,768.58	No requisition forms, LPO and invoices
25/10/2021	495041	8,093.27	No requisition forms, LPO and invoices
23/11/2021	498056	4,968.17	No requisition forms, LPO and invoices
22/12/2021	501507	10,325.23	No requisition forms, LPO, invoices, and payment voucher and supporting documents was not stamped "PAID"
25/01/2022	503780	19,622.99	No requisition forms, LPO and invoices
28/02/2022	509435	5,403.37	No requisition forms, LPO and invoices
28/03/2022	513742	6,890.11	No requisition forms, LPO, invoices, and payment voucher and supporting documents was not stamped "PAID"
27/04/2022	516432	9,276.03	No requisition forms, LPO and invoices
26/05/2022	520216	7,746.30	No requisition forms, LPO, invoices, and payment voucher and supporting documents was not stamped "PAID"
22/06/2022	524065	10,625.08	No requisition forms, LPO and invoices
19/07/2022	528934	11,165.74	No requisition forms, LPO and invoices

**APPENDIX 22.11: Debit Balances for Operating Trust Fund Account**

Allocation	Balance as at 31/07/2022 (\$)
1-22101-22999-861716	37.50
1-22101-22999-861308	64.00
1-22101-22999-861532	68.53
1-22101-22999-861603	104.00
1-22101-22999-861861	105.00
1-22101-22999-861602	126.00
1-22101-22999-861608	131.00
1-22101-22999-861537	142.82
1-22101-22999-861616	166.00
1-22101-22999-861922	277.10
1-22101-22999-861536	318.16
1-22101-22999-861930	371.50
1-22101-22999-861106	396.25
1-22101-22999-861514	437.00
1-22101-22999-861206	499.53
1-22101-22999-861535	919.00
1-22101-22999-861701	3,417.55
1-22101-22999-861901	4,215.39
1-22101-22999-861539	12,143.50
	<b>23,939.83</b>

**APPENDIX 22.12: Movements of Balances for Operating Trust Fund Account**

Allocation	Balance as at 31/07/22 (\$)	Balance as at 31/08/22 (\$)	Movement (\$)
1-22101-22999-863201	(1,250,776.33)	(1,222,981.96)	(27,794.37)
1-22101-22999-861920	(1,027,290.17)	(958,876.84)	(68,413.33)
1-22101-22999-861102	(57,041.92)	(57,158.68)	116.76
1-22101-22999-861101	(42,447.34)	(45,170.89)	2,723.55
1-22101-22999-861306	(13,678.55)	(14,515.05)	836.50
1-22101-22999-861932	(5,029.58)	(4,965.39)	(64.19)
1-22101-22999-861706	(3,483.55)	(4,068.55)	585.00
1-22101-22999-861204	(3,576.66)	(3,585.74)	9.08
1-22101-22999-861931	(3,297.99)	(3,201.99)	(96.00)
1-22101-22999-861915	(2,997.70)	(2,967.70)	(30.00)
1-22101-22999-861933	(2,687.00)	(2,717.00)	30.00
1-22101-22999-861402	(1,864.99)	(2,164.99)	300.00
1-22101-22999-861924	(1,670.00)	(1,680.00)	10.00
1-22101-22999-861202	(1,551.83)	(1,441.98)	(109.85)
1-22101-22999-861926	(1,260.79)	(1,311.34)	50.55
1-22101-22999-861105	(1,186.33)	(1,236.33)	50.00
1-22101-22999-861934	(1,145.00)	(1,130.00)	(15.00)
1-22101-22999-861606	(1,122.00)	(1,000.00)	(122.00)
1-22101-22999-861525	(548.50)	(571.50)	23.00
1-22101-22999-861899	(276.65)	(257.75)	(18.90)
1-22101-22999-861927	(144.30)	(169.30)	25.00
1-22101-22999-861209	(17.50)	(136.50)	119.00
1-22101-22999-861307	(113.75)	(113.35)	(0.40)
1-22101-22999-861511	(109.46)	(109.16)	(0.30)
1-22101-22999-861614	(97.00)	(80.00)	(17.00)
1-22101-22999-861704	(10.00)	(20.00)	10.00
1-22101-22999-861501	(478.00)	(478.00)	---
1-22101-22999-861313	(46,712.38)	(46,712.38)	---

## APPENDIX 22.12: Movements of Balances for Operating Trust Fund Account (Continued)

Allocation	Balance as at 31/07/22 (\$)	Balance as at 31/08/22 (\$)	Movement (\$)
1-22101-22101-863201	(10,172.31)	(10,172.31)	---
1-22101-22999-861999	(7,640.02)	(7,640.02)	---
1-22101-22999-861902	(2,097.16)	(2,097.16)	---
1-22101-22999-861533	(1,808.00)	(1,808.00)	---
1-22101-22999-861607	(113.00)	(113.00)	---
1-22101-22999-861601	(40.00)	(40.00)	---
1-22101-22999-861702	(40.00)	(40.00)	---
1-22101-22999-861805	(39.67)	(39.67)	---
1-22101-22999-861814	(20.38)	(20.38)	---
1-22101-22999-861509	(7.90)	(7.90)	---
1-22101-22999-861612	(0.01)	(0.01)	---
	<b>(2,492,593.72)</b>	<b>(2,400,800.82)</b>	<b>(91,792.90)</b>

### APPENDIX 22.13: Misallocation of Expenditures

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
30/06/2022	523573	1,365.00	1-22302-82401-059101 : Ration Supplies	1-22202-82401-010303 : Allowance Acting	SEG 1 understated by \$2,190.00
30/06/2022	523565	825.00	1-22302-82401-059101 : Ration Supplies	1-22202-82401-010303 : Allowance Acting	
	<b>Total</b>	<b>2,190.00</b>			
09/12/2021	499905	4,672.81	1-22203-84201-051011 : Outsourcing – Cleaning	1-22303-84201-030401 Telecommunication	SEG 3 understated by - \$147,394.53
30/06/2022	521101	120.00	1-22302-82401-059101 : Ration Supplies	1-22202-82401-030101 : Travel & Passage	
31/07/2022	527315	19,912.00	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 : Transport of Patients	
31/07/2022	527327	11,872.70	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 : Transport of Patients	
31/07/2022	527320	10,976.30	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 : Transport of Patients	
31/07/2022	527322	2,398.00	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 : Transport of Patients	
31/07/2022	527325	11,249.35	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 : Transport of Patients	
31/07/2022	529051	30,000.00	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 : Transport of Patients	
31/07/2022	529054	30,000.00	1-22303-84701-059100 : Oxygen Supplies	1-22303-84701-039801 : Transport of Patients	
31/07/2022	529057	6,193.37	1-22303-84706-059120 : Oxygen Supplies	1-22303-84706-039801 : Transport of Patients	
31/07/2022	529058	20,000.00	1-22303-84901-059120 : Oxygen Supplies	1-22303-84901-039801 : Transport of Patients	
	<b>Total</b>	<b>147,394.53</b>			
17/02/2022	505907	19,972.48	1-22000-00000-039800 Transport of Patients	1-22201-22101-100300 Covid19 Contingency Fund	SEG 3 overstated by \$33,357.80
09/02/2022	505911	13,385.32	1-22000-00000-039800 Transport of Patients	1-22201-22101-100300 Covid19 Contingency Fund	
	<b>Total</b>	<b>33,357.80</b>			
31/12/2021	499338	52.29	1-22303-84501-059101 : Rations	1-22303-84501-040299 General Stores & Incidentals	

**APPENDIX 22.13: Misallocation of Expenditures (Continued)**

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
30/06/2022	521570	1,107.00	1-22302-82501-059101 : Rations	1-22202-82501-040299 General Stores & Incidentals	<b>SEG 4 understated by \$46,819.77</b>
30/06/2022	521574	696.00	1-22302-82501-059101 : Rations	1-22202-82501-040299 General Stores & Incidentals	
30/06/2022	522063	1,055.00	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522063	2,408.25	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522063	458.77	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	521580	696.00	1-22302-82501-059101 : Rations	1-22202-82501-040299 General Stores & Incidentals	
30/06/2022	522036	1,027.56	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	1,279.80	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	619.25	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	733.94	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	665.14	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/09/2021	491470	46.24	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	47.71	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	53.21	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	35.78	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	53.21	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	54.13	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	121.10	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	176.15	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	22.94	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	490538	96.33	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/09/2021	490538	87.16	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/09/2021	490547	866.97	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	

**APPENDIX 22.13: Misallocation of Expenditures (Continued)**

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
30/11/2021	495874	467.89	1-22303-84401-059118 : Laundry	1-22303-84401-040299 General Stores & Incidentals	
30/11/2021	497780	917.40	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/11/2021	497780	917.50	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/04/2022	512893	1,336.77	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/04/2022	515793	2,591.74	1-22304-83501-059118 : Laundry	1-22304-83501-040362 Vehicle Spare Parts & Maintenance	
30/04/2022	515811	919.27	1-22304-83501-059118 : Laundry	1-22304-83501-040299 General Stores & Incidentals	
30/04/2022	515306	1,060.00	1-22304-83501-059118 : Laundry	1-22304-83501-040101 Fuel & Oil Vehicle	
31/05/2022	518471	3,779.76	1-22203-84201-059118 : Laundry	1-22203-84201-040299 General Stores & Incidentals	
31/05/2022	516899	64.22	1-22303-84701-059118 : Laundry	1-22303-84701-040299 General Stores & Incidentals	
31/05/2022	516899	532.11	1-22303-84701-059118 : Laundry	1-22303-84701-040299 General Stores & Incidentals	
31/05/2022	519169	458.65	1-22304-83501-059118 : Laundry	1-22304-83501-040299 General Stores & Incidentals	
31/05/2022	519579	357.80	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/05/2022	519579	54.91	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/05/2022	519169	917.40	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/05/2022	519166	220.18	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/07/2022	528209	2,522.48	1-22205-81401-059120 : Oxygen Supplies	1-22205-81401-040100 Vehicle: Fuel & Oil	
31/07/2022	528892	798.74	1-22205-81401-059100 : Oxygen Supplies	1-22205-81401-049900 Refrigeration & Gas	
31/07/2022	526795	614.81	1-22304-83401-059100 : Oxygen Supplies	1-22202-83401-040333 R & M Equipment	
31/07/2022	523303	3,577.98	1-22304-83501-059120 : Oxygen Supplies	1-22304-83501-040362 Vehicle Spare Parts & Maintenance	
31/07/2022	525798	60.23	1-22303-84401-059120 : Oxygen Supplies	1-22303-84401-049900 Refrigeration & Gas	
31/07/2022	529777	12,190.00	1-22303-84706-059120 : Oxygen Supplies	1-22303-84706-040299 General Stores & Incidentals	
	<b>Total</b>	<b>46,819.77</b>			

**APPENDIX 22.13: Misallocation of Expenditures (Continued)**

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
20/07/2022	529160	44,072.89	1-22202-81201-059149 Outsourcing – Cleaning	1-22202-81201-039804 O/S Lab Test Ref	<b>SEG 5 overstated by \$240,877.19</b>
09/12/2021	499905	4,672.81	1-22203-84201-051011 Outsourcing – Cleaning	1-22303-84201-030401 Telecommunication	
31/12/2021	499338	52.29	1-22303-84501-059101 : Rations	1-22303-84501-040299 General Stores & Incidentals	
31/12/2021	502100	400.00	1-22302-82201-059101 : Rations	1-22201-22101-071215 CHW	
30/06/2022	521570	1,107.00	1-22302-82501-059101 : Rations	1-22202-82501-040299 General Stores & Incidentals	
30/06/2022	521574	696.00	1-22302-82501-059101 : Rations	1-22202-82501-040299 General Stores & Incidentals	
30/06/2022	522063	1,055.00	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522063	2,408.25	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522063	458.77	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	523573	1,365.00	1-22302-82401-059100 : Rations	1-22202-82401-010303 Allowance Acting	
30/06/2022	521580	696.00	1-22302-82501-059101 : Rations	1-22202-82501-040299 General Stores & Incidentals	
30/06/2022	522036	1,027.56	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	1,279.80	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	619.25	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	733.94	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	522036	665.14	1-22204-83201-059101 : Rations	1-22201-83201-040299 Office Upkeep	
30/06/2022	521101	120.00	1-22302-82401-059101 : Rations	1-22202-82401-030101 Travel & Passage	
30/06/2022	523565	825.00	1-22302-82401-059101 : Rations	1-22202-82401-010303 Allowance Acting	
30/09/2021	491470	46.24	1-22304-83401-059100 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	47.71	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	53.21	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	35.78	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	53.21	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	54.13	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	

**APPENDIX 22.13: Misallocation of Expenditures (Continued)**

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
30/09/2021	491470	121.10	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	176.15	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	491470	22.94	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/09/2021	490538	96.33	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/09/2021	490538	87.16	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/09/2021	490547	866.97	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/11/2021	495874	467.89	1-22303-84401-059118 : Laundry	1-22303-84401-040299 General Stores & Incidentals	
30/11/2021	497780	917.40	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/11/2021	497780	917.50	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
30/04/2022	512893	1,336.77	1-22304-83401-059118 : Laundry	1-22304-83401-040299 General Stores & Incidentals	
30/04/2022	515793	2,591.74	1-22304-83501-059118 : Laundry	1-22202-83501-040361 Spare Parts & Maintenance	
30/04/2022	515811	919.27	1-22304-83501-059118 : Laundry	1-22304-83501-040299 General Stores & Incidentals	
30/04/2022	515306	1,060.00	1-22304-83501-059118 : Laundry	1-22304-83501-040101 Fuel & Oil Vehicle	
31/05/2022	518471	3,779.76	1-22203-84201-059118 : Laundry	1-22203-84201-040299 General Stores & Incidentals	
31/05/2022	516899	64.22	1-22303-84701-059118 : Laundry	1-22303-84701-040299 General Stores & Incidentals	
31/05/2022	516899	532.11	1-22303-84701-059118 : Laundry	1-22303-84701-040299 General Stores & Incidentals	
31/05/2022	519169	458.65	1-22304-83501-059118 : Laundry	1-22304-83501-040299 General Stores & Incidentals	
31/05/2022	519579	357.80	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/05/2022	519579	54.91	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	

**APPENDIX 22.13: Misallocation of Expenditures (Continued)**

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
31/05/2022	519169	917.40	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/05/2022	519166	220.18	1-22304-83601-059118 : Laundry	1-22304-83601-040299 General Stores & Incidentals	
31/07/2022	528209	2,522.48	1-22205-81401-059120 : Oxygen Supplies	1-22205-81401-040100 Vehicle: Fuel & Oil	
31/07/2022	528892	798.74	1-22205-81401-059100 : Oxygen Supplies	1-22205-81401-049900 Refrigeration & Gas	
31/07/2022	526795	614.81	1-22304-83401-059100 : Oxygen Supplies	1-22202-83401-040333 R & M Equipment	
31/07/2022	523303	3,577.98	1-22304-83501-059120 : Oxygen Supplies	1-22304-83501-040362 Vehicle Spare Parts & Maintenance	
31/07/2022	525798	60.23	1-22303-84401-059120 : Oxygen Supplies	1-22303-84401-049900 Refrigeration & Gas	
31/07/2022	527315	19,912.00	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 Transport of Patients	
31/07/2022	527327	11,872.70	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 Transport of Patients	
31/07/2022	527320	10,976.30	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 Transport of Patients	
31/07/2022	527322	2,398.00	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 Transport of Patients	
31/07/2022	527325	11,249.35	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 Transport of Patients	
31/07/2022	529051	30,000.00	1-22303-84501-059120 : Oxygen Supplies	1-22303-84501-039800 Transport of Patients	
31/07/2022	529054	30,000.00	1-22303-84701-059100 : Oxygen Supplies	1-22303-84701-039801 Transport of Patients	
31/07/2022	529777	12,190.00	1-22303-84706-059120 : Oxygen Supplies	1-22303-84706-040299 General Stores & Incidentals	
31/07/2022	529057	6,193.37	1-22303-84706-059120 : Oxygen Supplies	1-22303-84706-039801 Transport of Patients	
31/07/2022	529058	20,000.00	1-22303-84901-059120 : Oxygen Supplies	1-22303-84901-039801 Transport of Patients	
	<b>Total</b>	<b>240,877.19</b>			
31/12/2021	502100	400.00	1-22302-82201-059101 : Rations	1-22201-22101-071215 CHW	<b>SEG 7 understated by \$400.00</b>
	<b>Total</b>	<b>400.00</b>			

**APPENDIX 22.13: Misallocation of Expenditures (Continued)**

Date	Payment Voucher Number	Amount (\$)	Expenditure Allocation Charged	Correct Allocation	Effect
17/02/2022	505907	19,972.48	1-22000-00000-039800 Transport of Patients	1-22201-22101-100300 Covid19 Contingency Fund	<b>SEG 10 understated by \$33,357.80</b>
09/02/2022	505911	13,385.32	1-22000-00000-039800 Transport of Patients	1-22201-22101-100300 Covid19 Contingency Fund	
	<b>Total</b>	<b>33,357.80</b>			

**Section 23**

**Ministry of Housing and Community Development**

**Roles and Responsibilities**

The Ministry of Housing and Community Development (MHCD) is responsible for strategy, policy, funding assistance, monitoring and regulation of Fiji’s housing system. We play a lead role in promoting and facilitating the provision of accessible and adequate housing for low and middle- income households and people living in informal settlements.

The Ministry was established in 2018 as a dedicated stand- alone line Ministry with a singular focus on the housing sector bringing together Fiji’s long running urban housing programme, previously overseen by the Department of Housing within a wider Ministry for Local Government, and the rural housing programme that was previously overseen by Ministry for Rural and Maritime Development.

The Ministry is working to:

- review the national housing policy and strategy
- upgrade and formalize informal settlements to provide long term land tenure security to settlers
- increase public and private housing supply
- modernize housing sector legislation
- increase access to affordable housing, for people to rent and buy

The Ministry work closely with other central and local government agencies, our partners in the housing sector and our local communities

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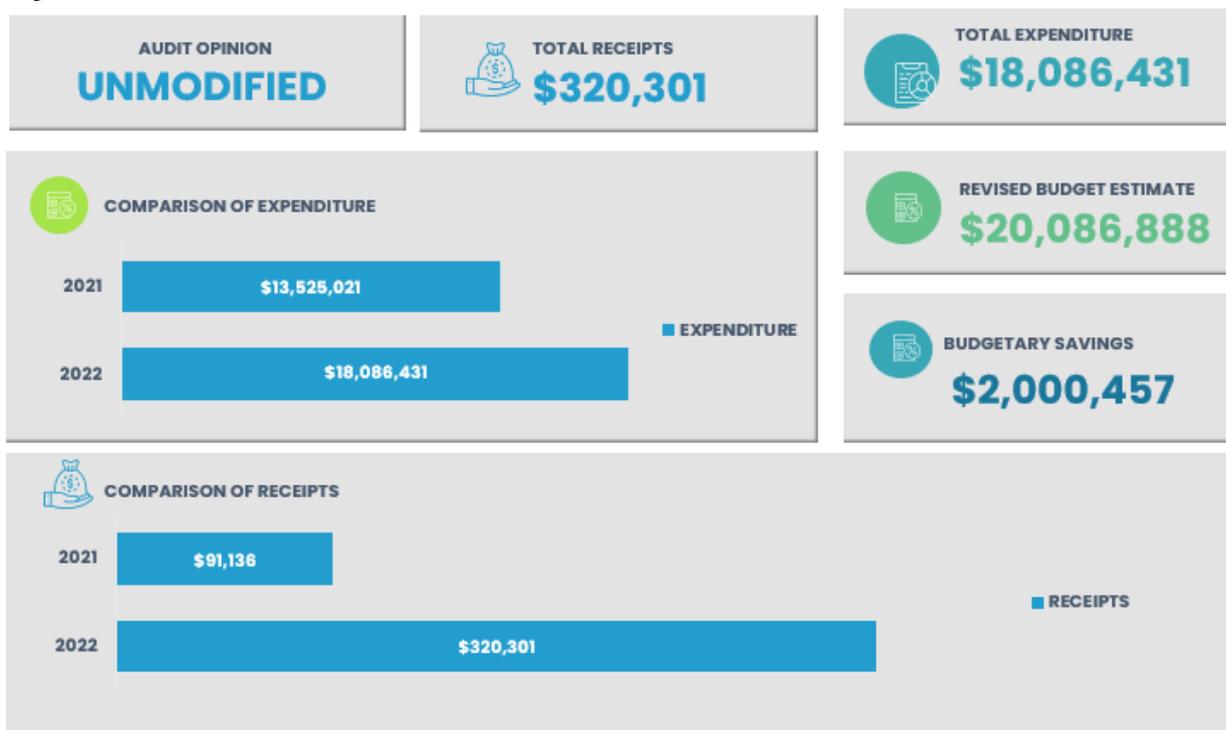
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## PART A: FINANCIAL INFORMATION

### 23.1 Financial Information



### 23.2 Audit Opinion

The audit of the 2022 accounts of the Ministry of Housing and Community Development resulted in an unmodified audit opinion with the following emphasis of matter.

The Ministry did not complete the Board of Survey to verify the existence and condition of the assets under its authority contrary to Section 49 of the Finance Instructions 2010.

### 23.3 Appropriation Statement

The Ministry of Housing and Community Development in 2022 collected revenue totalling \$320,301 and incurred expenditure totalling \$18.1 million against a revised budget of \$20.1 million resulting in unutilised budget of \$2.0 million or 10%.

Details of expenditure against the revised budget are provided in Table 23.1.

Table 23.1: Appropriation Statement for 2022

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	698,586	---	698,586	617,336	81,250
2	Government Wage Earners	258,489	---	258,489	230,925	27,564
3	Travel & Communication	47,000	1,848	48,848	47,350	1,498
4	Maintenance & Operations	66,740	16,191	82,931	80,414	2,517
5	Purchase of Goods & Services	94,200	(10,058)	84,142	61,947	22,195
6	Operating Grants & Transfers	2,878,373	---	2,878,373	2,629,542	248,831
7	Special Expenditure	95,000	(7,981)	87,019	86,755	264
	<b>Total Operating Expenditure</b>	<b>4,138,388</b>	<b>---</b>	<b>4,138,388</b>	<b>3,754,269</b>	<b>384,119</b>
8	Capital Construction	2,662,000	---	2,662,000	2,144,058	517,942
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	13,019,600	---	13,019,600	11,974,999	1,044,601
	<b>Total Capital Expenditure</b>	<b>15,681,600</b>	<b>---</b>	<b>15,681,600</b>	<b>14,119,057</b>	<b>1,562,543</b>
13	Value Added Tax	266,900	---	266,900	213,105	53,795
	<b>TOTAL</b>	<b>20,086,888</b>	<b>---</b>	<b>20,086,888</b>	<b>18,086,431</b>	<b>2,000,457</b>

## PART B: SIGNIFICANT MATTERS

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matter highlighted in this report, include control weakness which *could cause* or *is causing* severe disruption to the process or on the ability of an auditee to achieve process objectives and comply with relevant legislation.

It is likely that this issue may have an impact on the operations of the Ministry in future, if necessary, action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2022.

### 23.4 Missing Records

The Senior Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents.<sup>1</sup>

The audit was not provided with a revenue journal voucher and certain payment vouchers with supporting documents for audit purposes. Refer to the Table 23.2 below for details:

<sup>1</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 19.2.1

**Table 23.2: Monetary value of records not provided**

Description	FMIS GL Balance (VEP) (\$)	Total Amount of Records not Provided (\$)
<b>SRG</b>		
Revenue	320,000	45,000
<b>Operating Expenditure (SEG)</b>		
4	80,418	347
5	61,947	1,304
6	2,629,542	99,278

Refer **Appendix 23.1 and 23.2** shows details of missing records.

Absence of effective monitoring and supervisory checks in the accounting function resulting in missing records.

### **Recommendations**

#### **The Ministry should:**

- improve supervisory checks in its accounting function and strengthen its records management practices to ensure that documents are safely maintained ; and
- ensure that records requested are provided for audit verifications.

### **Agreed Management Comments**

*The Ministry has accepted the recommendation and is committed to enhancing records management practices and strengthening supervisory checks.*

*The Ministry is currently in the process of filling all vacant positions in the accounts department, including Assistant Accounts Officer, Accounts Clerk, and Clerical Officer - Logistics. This will ensure clear demarcation of accounting responsibilities and establish supervisory checks at various levels. In addition, the Ministry is undertaking refurbishments to create a dedicated and secure filing room for the accounts department. This measure will prevent the loss or misplacement of records.*

*Regarding the missing revenue record amounting to \$45,000, we have successfully located the supporting documents, which include the approval from the Permanent Secretary to process the journal voucher.*

## **23.5 Payroll Anomalies**

Salaries and wages constitute a major portion of the agency's budget. Proper controls over engaging new employees, salary payments and resignations reduce the risk of fraudulent or unauthorized payments, inaccurate payroll reports and invalid pay rates.<sup>2</sup> The CO/Wages must file all processed input forms into the appropriate wages files.<sup>3</sup>

Audit review of the payroll records revealed the following anomalies.

- Employees salary, wages and personnel files were not created and maintained; and
- Input forms for overtime and meal payments were not attached in the wages file that was submitted for audit purposes.

<sup>2</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 4 – Introductory paragraph

<sup>3</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 4.14.16

Refer to **Appendix 23.3 and 23.4** for details.

Due to staff turnover and the absence of effective monitoring and supervisory checks in the accounting and personnel function resulting in missing records.

### **Recommendations**

**The Ministry should:**

- **improve supervisory checks in its accounting and personnel function and strengthen its records management practices to ensure that files are created and safely maintained; and**
- **ensure that records requested are provided for audit verifications.**

### **Agreed Management Comments**

*As a result of significant staff turnover in the accounts department, compliance with segregation of duties and proper records management was not maintained. However, the Ministry is committed to preventing such occurrences in the future. The recruitment process for accounts personnel is nearing completion, and specific emphasis will be placed on establishing segregation of duties, including the appointment of a dedicated payroll officer.*

## **23.6 Board of Survey Not Carried Out**

An annual board of survey must be conducted each year to verify the existence and condition of assets recorded on the asset register provided that, for agencies that have, in the opinion of the Permanent Secretary a large asset base, the board of survey to be conducted on a cyclical basis so that all assets are checked every three years.<sup>4</sup>

The audit noted that the Ministry did not complete the annual Board of Survey for fixed assets and expandable items for the year ended 31 July 2022.

Without Board of Survey report, the condition of assets of the Ministry could not be substantiated.

### **Recommendation**

**The Ministry should ensure that board of survey of fixed assets and expendable items is completed annually.**

### **Agreed Management Comments**

*As a result of the Manager Finance position being vacant, the accounting functions were not operating effectively, leading to the board of survey not being conducted. However, the Ministry has addressed this issue and the position has now been filled. The board of survey for the financial year 2021-2022 will be conducted in August 2023 and the financial year 2022-2023 BOS in September 2023.*

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<sup>4</sup> Finance Instructions 2010, Section 49 (1)

## 23.7 Absence of Risk Management Framework

It is a good practice to establish a risk management framework to have the Ministry's management, plan, implement, monitor and act on evolving risks affecting the Ministry.

Audit noted the following:

- Human Resource Management Manual was developed but was in draft and was not finalised until the date of audit;
- Finance manual was developed in 2020 and was in draft. It was not finalised until the date of audit;
- There was no disaster recovery and business continuity plan; and
- No risk management policy.

This is an indication of an absence of governance and accountability function to drive the risk management framework.

### Recommendation

**The Ministry should finalise the policies which are in draft and work towards finalising the Risk Management Policy.**

### Agreed Management Comments

*The Ministry agrees to the recommendation and commits to completing the finalization of the draft Human Resource Management Manual and the draft Finance Manual by October 2023.*

*Additionally, the Ministry will implement the disaster recovery, business continuity plan, and risk management policy by November 2023.*

## 23.8 Monthly Reconciliations Not Prepared – Recurring Issue

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced not only at ministry/department level and/but most importantly at whole of government level.<sup>5</sup> The Assistant Accountant must reconcile all accounts to be submitted to Ministry of Finance within two weeks after the closing of each monthly account.<sup>6</sup> The Senior Accountant must verify all the reconciliations before signing and submitting it to the Ministry of Finance.<sup>7</sup>

Audit noted that certain month's reconciliation statements were not prepared for various underline accounts for the financial year ending 31 July 2022. Refer to Table 23.3 below for details.

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<sup>5</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Part 17

<sup>6</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 17.2.4

<sup>7</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 17.2.5

**Table 23.3: Monthly reconciliations were not prepared for the following accounts**

FMIS GL Allocation	FMIS GL Balance as at 31 July 2022 (\$)	Comments
1-23101-23999-537103	---	Monthly reconciliation statements were not prepared from August to October 2021 and December 2021
1-23101-23999-560203	(46,035.98)	Monthly reconciliation statements not prepared from August 2021 to October 2021
1-23101-23999-840602	(89,459.69)	Monthly reconciliation statements not prepared from August 2021 and November 2021 to February 2022.
1-23101-23999-840102	---	Monthly reconciliation statements not prepared from August 2021 to December 2021.
1-23101-23999-840101-001	---	Monthly reconciliation statements not prepared from August 2021 to January 2022, March 2022, and June to July 2022.
1-23101-23999-840102-001	---	No monthly reconciliations statements were prepared.
1-23000-00000-850000	(310,205.32)	Monthly reconciliations statements not prepared from August 2021 to October 2021.
1-23000-00000-860000	(409,011.25)	No monthly reconciliations statements were prepared.

The Ministry did not have sufficient resources for its accounting function to adequately perform the monthly reconciliation of accounts.

### **Recommendation**

**The Ministry should ensure that monthly reconciliations are prepared on time.**

### **Agreed Management Comments**

*As a result of not enough staff in the accounts department, the reconciliations have not been carried out. However, once the Assistant Accounts Officer is recruited, we will make efforts to complete all the pending reconciliations.*

## **23.9 Variance between Drawings Account Reconciliation Statements and GL Balance – Recurring Issue**

Within 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the accounts supervisor shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.<sup>8</sup> Any errors or misallocations must be immediately adjusted by way of journal vouchers.<sup>9</sup>

<sup>8</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 16.3.3

<sup>9</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 16.3.4

Audit noted a variance of \$137,561 between the Ministry's Drawings Account reconciliation statement balance and the FMIS general ledger balance. Refer to Table 23.4 below for details.

**Table 23.4: Variance between Drawings Account Reconciliation Statements and FMIS GL Balances**

	Account Name	Balance as per Reconciliation statement (\$)	Balance as per FMIS GL (\$)	Variance (\$)
FY 2019	Drawings Account	662,279.11	798,859.95	136,580.84
FY 2020	Drawings Account	201,649.00	996,509.00	794,860.00
FY 2021	Drawings Account	4,546.00	139,128.00	134,582.00
FY 2022	Drawings Account	---	137,560.64	137,560.64

The audit also noted that the Board of Survey for Drawings account was not conducted. Absence of effective supervisory checks with the Drawings Account reconciliation process has resulted in the variance.

### **Recommendation**

**The Ministry should liaise with the Ministry of Local Government to rectify the carried forward variances.**

### **Agreed Management Comments**

*The variance balance exists from 2019. Ministry needs to write to Ministry of Local Government to obtain the details of transactions and resolve the variance of \$136,581.*

## **23.10 Carried forward balances for Operating Trust Fund Account**

The Senior Accountant is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.<sup>10</sup>

Audit noted that the Operating Trust Fund Account balance of \$403,307 has been carried forward from previous years and remains outstanding as at 31 July 2022. Refer to **Appendix 23.5** for details.

The absence of adequate supervisory checks with the accounting function relating to monitoring and reviewing of the monthly accounts reconciliation performed has resulted in errors and omission not being detected on a timely basis.

### **Recommendation**

**The balance carried forward from previous years should be reviewed with the Ministry of Housing liaising with Ministry of Local Government and appropriate actions should be taken.**

### **Agreed Management Comments**

*The credit balance exists from 2017. The Ministry needs to write to Local Government to resolve these long outstanding balances.*

<sup>10</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Part 16 – Introductory Paragraph

### 23.11 Anomalies noted in Revolving Fund Account

The Assistant Accountant must also record the travel advance in the debtors register.<sup>11</sup> Where an advance has not been acquitted within seven days of travel, the Senior Accountant shall effect recovery through a salary deduction from the concerned officer's salary within six (6) fortnights.<sup>12</sup>

Audit noted the following anomalies:

#### Advances: 1-23101-23999-570301

The advances allocation had an outstanding balance of \$181,111 for the financial year ending 31 July 2022. There has been no movement in the balance from 31/07/2018 to 31/07/2022. Refer to Table 23.5 below for details.

**Table 23.5: Advances balances from years 2016 to 2022**

Year	Amount (\$)
2016	177,399
2017	178,999
2018	181,111
2019	181,111
2020	181,111
2021	181,111
2022	181,111

#### Accounts Receivable: 1-23101-23999-560203

Accounts receivable allocation shows credit balance of \$46,036 which is still outstanding as at 31<sup>st</sup> July 2022.

This indicates absence of adequate supervisory checks with the accounting function relating to monitoring and reviewing of the monthly accounts reconciliation performed. The Accounts receivable with credit balances indicated lack of proper reconciliation and misposting of transactions in the FMIS general ledger.

#### Recommendation

**The Ministry should strengthen the administration of accountable advances and improve supervisory checks of the account's reconciliation process.**

#### Agreed Management Action

*The Ministry needs to write to Local Government to resolve these long outstanding balances.*

<sup>11</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 10.1.10

<sup>12</sup> Ministry of Local Government, Urban Development, Housing & Environment Finance Manual 2013, Section 10.1.14

## PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

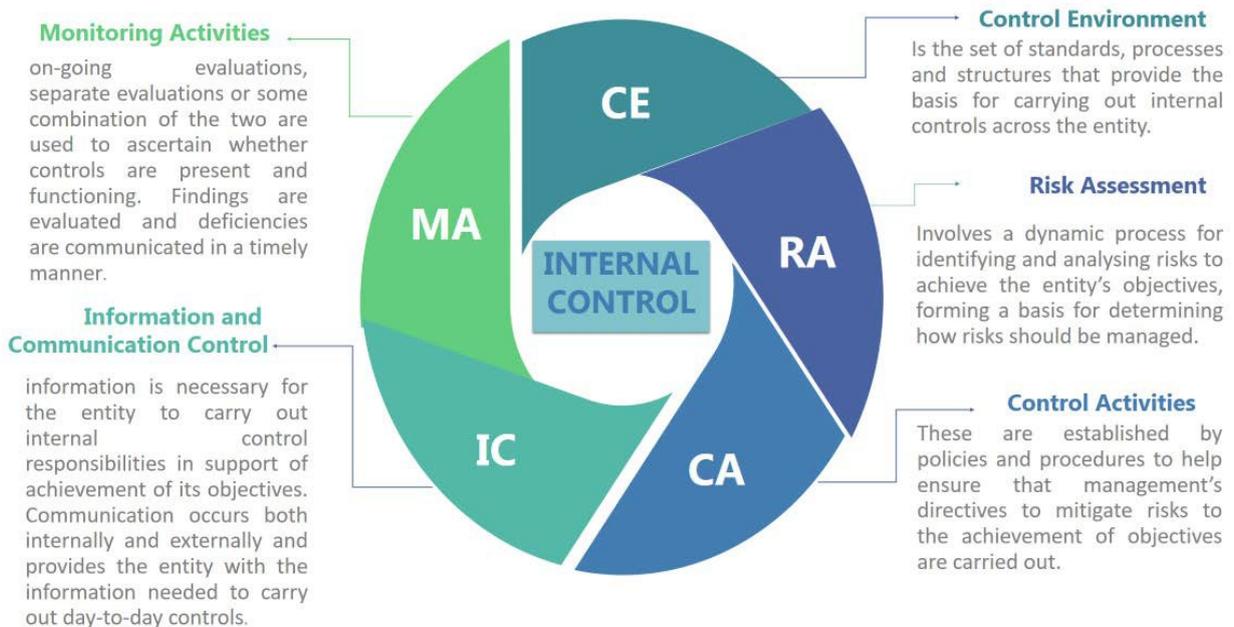
### 23.12 Internal Controls

During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

A *deficiency* occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing.

A *significant deficiency* is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

Internal controls are categorized against the following five components of internal control.



A summary of assessment of key controls based on our audit was as follows:

Control Environment	Risk Assessment	Control Activities	Information & Communication Control	Monitoring Activities
☀	🔴	☀	☀	☀

In view of the above, we have assessed the internal controls of the Ministry as:

Rating	Internal control assessment
☀ Generally Effective	Some deficiencies identified in Internal controls

### 23.13 Submission of 2022 Draft Agency Financial Statements

On 29 April 2022, Permanent Secretary for Economy issued Circular No. 06/2021 - 2022 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2022 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2022	✓	Clearance of Inter-departmental clearance accounts by 08 August 2022	✓
Processing of payments by 28 July 2022	✓	Closing date for journal adjustments by 17 August 2022	✓
Clearance of stale cheques by 05 August 2022	✓	Annual Board of Survey on Drawings Account cheques by 26 August 2022	✗
Retirement of imprests by 15 July 2022	✗	Completion of reconciliations by 26 August 2022	✗
Processing of virement by 19 August 2022	✓	Submission of arrears of revenue returns by 26 August 2022	Not Applicable

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Based on information received, we have assessed the year-end close process as:

Rating	Year-end close process assessment
☀ Generally Effective	6 of 9 key processes were completed before due date.

### 23.14 Quality of Draft Financial Statements by Entities

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the impact these adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment for the Ministry was:

Rating	Quality of draft financial statements assessment
🌟 Effective	No adjustments were required

### 23.15 Timeliness of Draft Financial Statements

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of draft financial statements assessment
☀ Generally Effective	Acceptable draft financial statements received on or before 31 October 2022.

### 23.16 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
☀ Generally Effective	Within 21 days from issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
☀ Generally Effective	Within 15 days from issue of Financial Statements for signing

**APPENDIX 23.1: Revenue Voucher with Supporting Documents Were Missing**

Description	Period	Voucher Number	Amount (\$)	Comments
Revenue	12/2022	231133	45,000.00	This journal voucher was posted in FMIS GL on 04/08/22
<b>Total</b>			<b>45,000.00</b>	

**APPENDIX 23.2: Payment Voucher with Supporting Documents Were Missing**

SEG	Date	Payment ID	Voucher ID	Amount (\$)
SEG 4	15/07/2022	2661	30644	347.30
			<b>Total</b>	<b>347.30</b>
SEG 5	05/07/2022	2515	30471	1,304.35
			<b>Total</b>	<b>1,304.35</b>
SEG 6	21/07/2022	2737	30692	10,900.00
	21/07/2022	2728	30688	13,100.00
	21/07/2022	2729	30690	20,600.00
	21/07/2022	2732	30689	11,900.00
	21/07/2022	2725	30691	13,678.00
	21/07/2022	2726	30683	17,000.00
	23/07/2022	2760	30751	12,100.00
			<b>Total</b>	<b>99,278.00</b>

**APPENDIX 23.3: Salary, Wages and Personnel Files Not Maintained**

EDP No.	Officer employed during FY 2021/2022
<b>Salary Files</b>	
99194	Yes, employed till 11/02/2022
93317	Yes, employed till 28/02/2022
100227	Yes, employed till 29/01/2022
<b>Wages File</b>	
AA003	Yes
<b>Personnel File</b>	
100227	Yes, employed till 29/01/2022

**APPENDIX 23.4: Input FSo4 Forms Not in the Wages File**

EDP No.	Pay No.	Overtime and Meal Amount Paid (\$)
YM008	1/22	260.00
HCD02	1/22, 27/22, 30/22	1,516.14
MHCD06	1/22	8.12
XX318	27/22, 29/22	821.00
289BA	29/22, 30/22	1,109.20
HCD01	29/22, 30/22	1,384.82
HCD03	29/22, 30/22	1,687.76
AA003	30/22	446.25
MHCD07	30/22	1,346.98

**APPENDIX 23.5: Operating Trust Fund Account Carried Forward Balances**

Allocation No.	2015	2016	2017	2018	2019	2020	2021	2022	Balance as at August 2022
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1-23101-23101-860103	133,621	326,321	400,836	400,836	400,836	400,836	400,836	400,836	400,836
1-23301-85999-860101	---	95	95	95	95	95	95	95	95
1-23101-23999-861101	---	83	83	83	83	83	83	83	83
1-23101-23999-861309	1,165	1,947	2,239	2,239	2,239	2,239	2,239	2,239	2,239
1-23101-23999-861923	---	54	54	54	54	54	54	54	54
<b>Total</b>	<b>134,786</b>	<b>328,500</b>	<b>403,307</b>						

## Section 24

# Ministry of Women, Children and Poverty Alleviation

### Roles and Responsibilities

The Ministry of Women, Children and Poverty Alleviation oversees national policies and programmes that create an inclusive social safety net for Fiji’s most vulnerable groups and ensure they are cared for, empowered and included in our ongoing national prosperity.

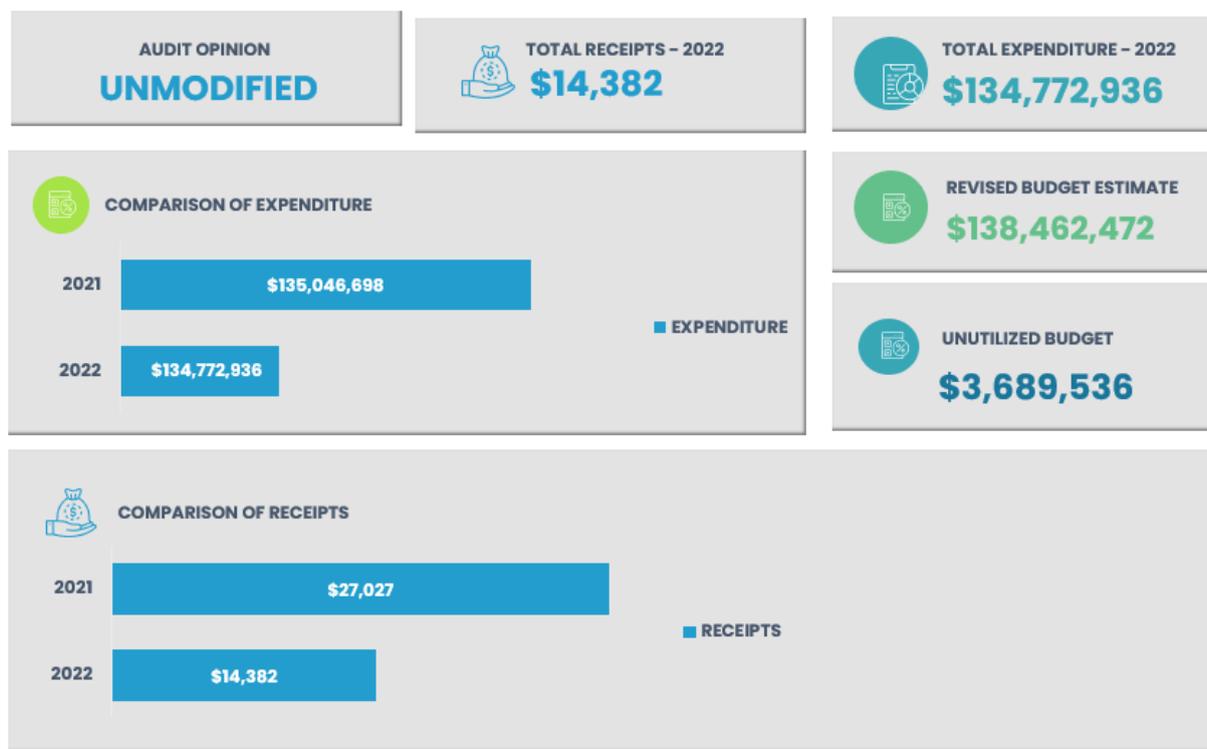
The Ministry of Women, Children and Poverty Alleviation is responsible for providing services and administering programmes that protect and serve the most vulnerable and contributes to the national poverty alleviation strategy and programmes, working to reduce poverty in Fiji. The Ministry’s core work provides critical support to the most disadvantaged groups, with programmes that consider gender, disability, children, older persons and their social and economic circumstances and needs. The Ministry has authority over the Department of Social Welfare, Department of Women and the Poverty Monitoring Unit.

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## PART A: FINANCIAL INFORMATION

### 24.1 Financial Information



### 24.2 Audit Opinion

The audit of the 2022 accounts for the Ministry of Women, Children and Poverty Alleviation resulted in an unmodified audit opinion with emphasis of matter and other matter paragraph.

The emphasis of matter paragraph was as follows:

- Established Staff and Government Wage Earners costs in the Statement of Receipts and Expenditure. An unreconciled variance of \$189,658 and \$106,990 existed between the FMIS general ledger and the Ministry's payroll report for Established Staff and Government Wage Earners respectively.
- Note 7 of the financial statements disclosed the Revolving Fund Account closing balance of \$46,978 as at 31 July 2022. The amount includes carried forward balance of \$45,658 or 97% which have been carried forward from prior year comprising of accountable advance issued to Officers which was not retired on time.

The Other Matter paragraph included the following:

- The Ministry does not have an electronic system for processing of applications for Social Protection Schemes. There is also no backup maintained for digitizing of records.

## 24.3 Appropriation Statement

The Ministry collected revenue totalling \$14,382 in 2022 and incurred expenditure totalling \$134.8 million against a revised budget of \$138.5 million resulting in unutilised budget of \$3.7 million or 2.7%.

Details of expenditure against the revised budget are provided in Table 24.1.

**Table 24.1: Appropriation Statement for 2022**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	7,960,446	(112,216)	7,848,230	7,247,437	600,793
2	Government Wage Earners	1,922,321	112,216	2,034,537	1,868,785	165,752
3	Travel & Communication	293,000	127,900	420,900	405,425	15,475
4	Maintenance & Operations	996,146	91,905	1,088,051	1,027,377	60,674
5	Purchase of Goods & Services	4,272,368	(142,666)	4,129,702	3,483,694	646,008
6	Operating Grants & Transfers	116,148,741	2,392,920	118,541,661	117,819,421	722,240
7	Special Expenditure	916,954	(35,139)	881,815	646,409	235,406
	<b>Total Operating Expenditure</b>	<b>132,509,976</b>	<b>2,434,920</b>	<b>134,944,896</b>	<b>132,498,548</b>	<b>2,446,348</b>
8	Capital Construction	4,596,796	(2,028,527)	2,568,269	1,755,641	812,628
9	Capital Purchase	250,000	(205,345)	44,655	13,498	31,157
10	Capital Grants & Transfers	100,000	---	100,000	81,000	19,000
	<b>Total Capital Expenditure</b>	<b>4,946,796</b>	<b>(2,233,872)</b>	<b>2,712,924</b>	<b>1,850,139</b>	<b>862,785</b>
13	Value Added Tax	1,005,700	(201,048)	804,652	424,249	380,403
	<b>TOTAL</b>	<b>138,462,472</b>	<b>---</b>	<b>138,462,472</b>	<b>134,772,936</b>	<b>3,689,536</b>

The significant unutilized budget for the financial year were as follows:

- (a) The savings under Purchase of Goods & Services (SEG 5) was due to the following:
- Technical Assistance - SPP Reform- \$87,824 is due to late recruitment of technical team to undertake a detailed review of the six key social assistance schemes administered by the Department of Social Welfare which include Management Information Systems for each scheme.
  - Commission charges - \$520,563 is due to less fees debited to Bank for pay out of the monthly Social Protection Programme and redeem food vouchers for PostFiji.
- (b) The savings under Operating Grants & Transfers (SEG 6) was due to the following:
- Grants to Organization with Disability's savings of \$63,577 was due to late receiving of acquittals, audit report and narratives from the Disability Provider Organizations that causes the delay in releasing fund.

- ii. Food Voucher for Rural Pregnant Mothers savings of \$48,700 was due to late encashment of food vouchers by the recipients in various Post Fiji outlets and also late booking received from Health Centres.
- iii. Allowance for Person with Disability savings of \$302,592 was due to high staff turnover that resulted in one of the budget component activity not being implemented.
- iv. Women’s Institution saving of \$180,000 was due to incomplete tender progress whereby the second bidder did not provide full information as requested.

(c) The savings under Special Expenditure (SEG 7) was due to the following:

- i. Social Welfare Management Information System (DFAT) savings of \$150,000 is due to late recruitment of the technical team to undertake a detailed technical report of the system for each scheme towards automating/digitizing key business processes and scope for improved interoperability.

(d) The savings under Capital Construction (SEG 8) was due to the following:

- i. Construction of Aged Care Facility savings of \$453,643 was due to the project lapsed into defect liability period.
- ii. Construction of Barefoot College savings of \$339,476 is due to variation of the completion of the project which has been deferred to the next financial year.

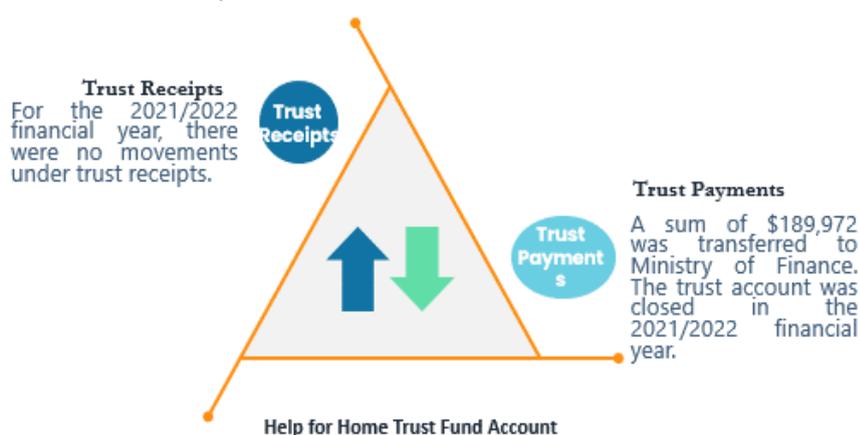
## 24.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Ministry of Women, Children and Poverty Alleviation operates and maintains 1 main trust fund bank account which is the Help for Home Trust Fund Account.

### Help for Home Trust Fund Account

This main trust account had been set up to cater for the refunds to the affected victims of TC Winston who had been claiming for purchases of goods and services from the grants scheme assistance.

As at 31 July 2022, the Help for Home Trust Fund Account was closed by returning balance funds of \$189,972 to Ministry of Finance.



## **PART B: SIGNIFICANT MATTERS**

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matters highlighted in this report, include control weaknesses which *could cause* or *is causing* severe disruption to the process or on the ability of an auditee to achieve process objectives and comply with relevant legislation.

It is likely that these issues may have an impact on the operations of the Ministry in future, if necessary action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2022.

### **24.5 Absence of Digitized Records for Social Protection Schemes**

Having a digitized system in place creates data in large volumes easy to retrieve, analyze and produce real time reports to management for decision making.

The audit noted that the Ministry does not have a digitized system for processing of Social Protection Allowance Payments.

Currently, Microsoft Office programs such as MS Access & MS Excel is used for processing of Social Protection Allowance Payments with an online system for Care & Protection allowance. Substantial amount of payments is made for Social Protection Allowance by the Ministry every year.

In the absence of a digitized system for processing huge sum of monthly payments, there is risk of information/data being lost. Reliable real time reports for management reporting will also not be generated.

#### **Recommendation**

**The Ministry should consider moving towards digitization for the processing of all social protection program that could address some of the on-going issues for information stored in large volumes of case files.**

#### **Agreed Management Comment**

*The Department is working with development partner on social assistance reform project. The first phase of the project (Jan-July) included review of the social assistance program and digitizing the records as a building block towards design of an integrated management information system in phase 2. Interim solution to digitize social assistance records is in progress. It is a building block to the integrated management system. Funds have been allocated in the next financial year to complete this project. It is a project that required a review of social assistance programs, reviews of SOPs then to design of the system. 1<sup>st</sup> phase of technical review would be completed by end of July.*

## 24.6 Variance between Payroll and FMIS General Ledger – Recurring Issue

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced not only at Ministry/Department level and/ but most importantly at whole of government level.<sup>1</sup>

Audit noted variance between the Financial Management Information System (FMIS) General Ledger and the Ministry's payroll report balance for the Established Staffs and the Government Wage Earners.

Refer Table 24.2 below for details

**Table 24.2: Details of Variance between Payroll and FMIS General Ledger**

Payroll Summary Analysis	FY 2022	
	Established Staff (\$)	Government Wage Earners (\$)
PE - Salary / Wages	6,843,595	1,702,953
Add: Overtime	49,398	54,772
<b>Total FMIS GL</b>	<b>6,892,993</b>	<b>1,757,725</b>
Payroll Summary Report	5,240,052	3,217,617
TRCO payments	1,459,396	(1,459,396)
Other Manual Postings	383,203	106,494
<b>Total as per payroll report</b>	<b>7,082,651</b>	<b>1,864,715</b>
<b>Variance</b>	<b>(189,658)</b>	<b>(106,990)</b>

Lack of reconciliation between the FMIS General Ledger and Payroll report has resulted in the variance.

### Recommendation

**The Ministry should reconcile the payroll report and FMIS general ledger balance on a monthly basis.**

### Agreed Management Comment

*The Ministry has noted the recommendations. The variance cannot be determined but can be identified if payroll and P2P is aligned as currently the issue of temporary relieving is factored in the Government Wages Earners payroll and adjustments of project positions from established allocations to project positions can be the cause of variance.*

## 24.7 Operating Trust Balances not cleared – Recurring Issue

The Senior Accounts Officer must ensure that any misallocations or outstanding balances from the previous month have been dealt with.<sup>2</sup>

The closing balance for operating trust fund account as at 31 July 2022 was \$105,418. The audit noted that this balance includes balance of \$57,477 or 55% of balance which was carried forward from previous years. Refer to Table 24.3 for details.

<sup>1</sup> Ministry of Women, Children and Poverty Alleviation Finance Manual 2013 - Section 17.2.4

<sup>2</sup> Ministry of Women, Children & Poverty Alleviation Finance Manual 2013 - Section 16.3.6

**Table 24.3: Details of Operating Trust Balances not cleared**

Operating Trust	31 July 2021			31 July 2022		
	Balance (\$)	Outstanding balance from Prior Years (\$)	Long Outstanding (%)	Balance (\$)	Outstanding balance from Prior Years (\$)	Long Outstanding (%)
Social Welfare	89,139	58,748	66	94,817	54,391	57
Dept. of Women	10,698	7,240	68	10,601	3,086	29
<b>Total</b>	<b>99,837</b>	<b>65,988</b>	<b>66</b>	<b>105,418</b>	<b>57,477</b>	<b>55</b>

In addition, the Ministry was not able to determine the aging of the balances which have been carried forward.

The audit findings indicate that the Operating Trust Account was not reviewed for accuracy and reconciled on a timely basis.

### **Recommendations**

#### **The Ministry should:**

- investigate and rectify the carried forward balances from prior years; and
- ensure that controls and adequate supervisory checks are carried out to avoid such discrepancies from occurring in future.

### **Agreed Management Comment**

*The Ministry will need to liaise with the Ministry of Finance on clearances of this unidentified previous years charges.*

## PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

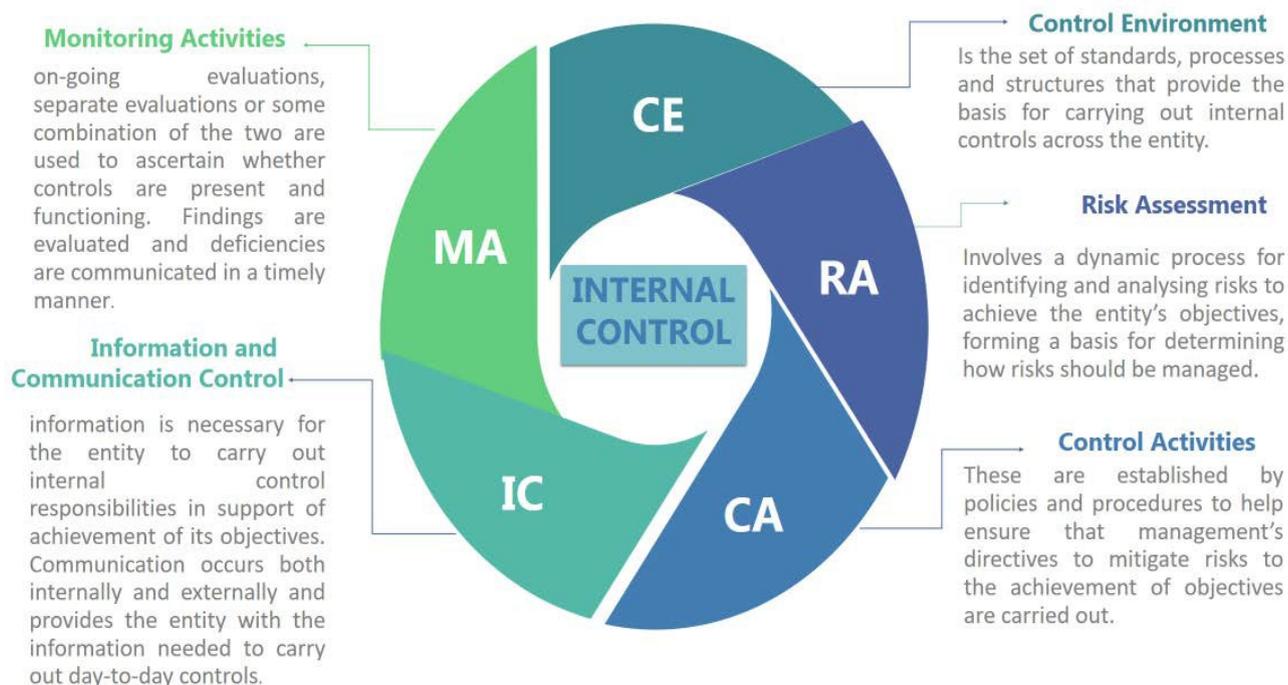
### 24.8 Internal Controls

During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

A *deficiency* occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing.

A *significant deficiency* is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

Internal controls are categorized against the following five components of internal control.



A summary of assessment of key controls based on our 2022 audit was as follows:

Control Environment	Risk Assessment	Control Activities	Information & Communication Control	Monitoring Activities
☀	☀	☀	☀	☀

In view of the above, we have assessed the internal controls of the Ministry as:

Ratings	Internal control assessment
☀ Generally effective	Some deficiencies identified in internal controls.

## 24.9 Submission of FY 2022 Draft Agency Financial Statements

On 29 April 2022, Permanent Secretary for Finance issued Circular No. 06/2021-2022 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2022 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2022	✓	Processing of virement by 19 August 2022	✓
Retirement of imprests by 15 July 2022	✗	Completion of reconciliations by 26 August 2022	✓
Processing of payments by 28 July 2022	✓	Submission of arrears of revenue return by 26 August 2022	N/A
Clearance of stale cheques by 05 August 2022	✗	Clearance of Inter-departmental clearance accounts by 05 August 2022	✓
Closing date for journal adjustments by 17 August 2022	✓	Annual Board of Survey on Drawings Account cheques by 26 August 2022	✓

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Based on information received, we have assessed the 2022 year-end close process as:

Rating	Year-end close process assessment
☀ Generally effective	7 of 9 key processes completed within two weeks of due date

## 24.10 Quality of Draft Financial Statements by Entities

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the impact these adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment for the Ministry was:

Rating	Quality of draft financial statements assessment
🌱 Effective	No adjustments were required

## 24.11 Timeliness of Draft Financial Statements

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of draft financial statements assessment
☀ Generally effective	Acceptable Draft Financial Statements received on or before 31 October 2022

## 24.12 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
☀ Generally effective	Within 21 days from issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
☀ Effective	Within 5 days from the issue of Financial Statements for signing

## Section 25 Ministry of Youth and Sports

### Roles and Responsibilities

The Ministry of Youth and Sports is assigned with both promoting the holistic development of Fiji’s young people and fostering the nation’s athletic potential - two distinct, yet overlapping, tasks. Government recognizes this inextricable link, rooted in the formative role that sports play in shaping Fijian youth, instilling them with values and promoting a healthy, active lifestyle.

Given Fiji’s young population, the Ministry carries the responsibility of harnessing and channeling the untapped raw potential of Fiji’s young people and releasing them into productive areas of society where they can make a difference. This involves providing training to develop both soft and hard skills, encouraging networking, mentoring, providing opportunities to build leadership skills through local level implementation, and promoting entrepreneurship and innovation. By doing so, Government is enabling Fiji’s next generation of leaders - an investment of developing the youth of today to improve Fijian communities of the future.

Recognizing the impacts of COVID-19 pandemic on the socio-economic status of young people, the Ministry will employ a targeted approach and recovery strategies that will ensure timely restoration and reform through formulation of cohesive youth and sports plans and services, enhanced partnership and training.

The Ministry’s focus through research on its Youth and Sports development programmes and in aligning short-term emergency responses with investments into long-term economic and social priorities will ensure the well-being of youths. The Youth Development and Grants programmes are aimed at empowering and equipping young people with the knowledge and skills to enable them to become self-reliant and be climate resilient through developing income generating opportunities that are innovative, viable and sustainable. To further support this, the Ministry operates Youth Training Centre’s around the country, along with rural and urban mobile skills training in areas of skills shortage or reskilling young people in new areas for income generation and sustainable employment. To ensure effective program implementation the Ministry will enhance its partnership and collaboration with relevant line Ministries and stakeholders.

The Ministry also drives sporting development in Fiji to encourage healthy lifestyle choices among Fijians of all ages, in addition to maintaining and building Fiji’s position as the Pacific hub for athletic competition. The Ministry’s work falls within the framework of a number of existing policies that govern national sporting development.

In line with Government’s goals of both creating a healthier society and bolstering the nation’s sports tourism capabilities, the Ministry’s Sports Development Unit is charged with the advancement of Fijian athletic facilities and development of Sports related policies. The Ministry will continue to invest in building and upgrading Fiji’s sporting infrastructure, particularly in rural areas. This includes construction of rural sports complexes and hard courts in identified regional hubs. The Ministry will work closely with the National Sports Commission to develop a system that nurtures sportspeople at all levels, from beginner to elite. This includes formulating incentives for the private sector to support the development of sports in Fiji.

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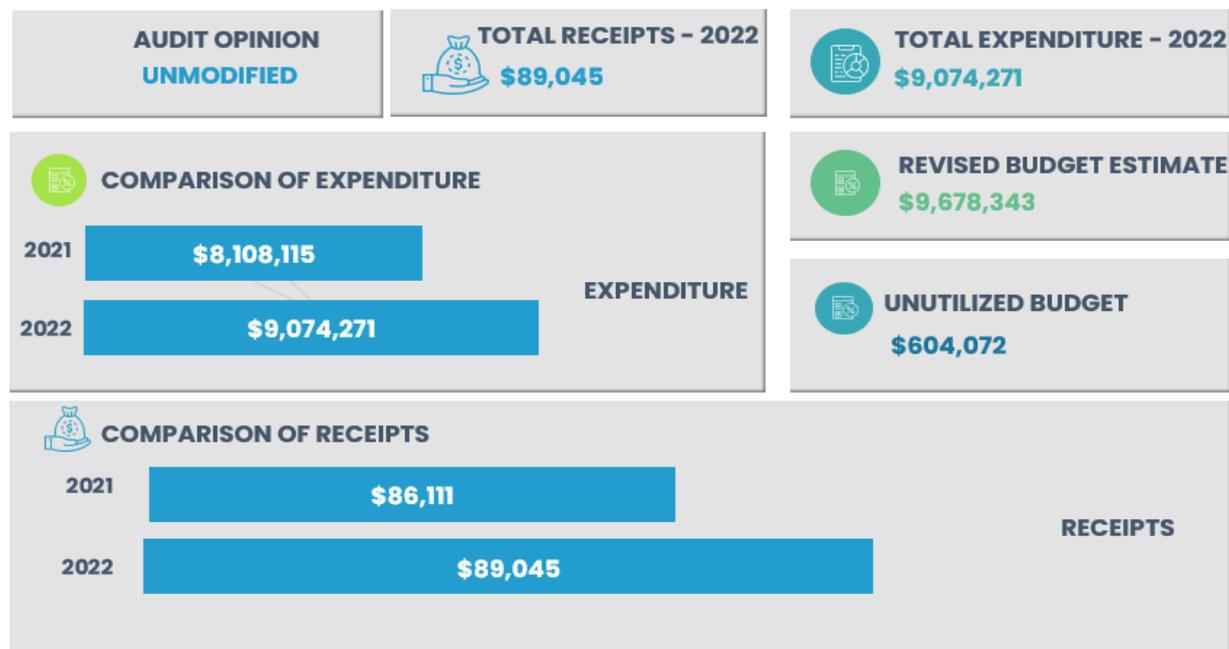
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## PART A: FINANCIAL INFORMATION

### 25.1 Financial Information



### 25.2 Audit Opinion

The audit of the 2022 accounts of the Ministry of Youth and Sports resulted in an unmodified audit opinion.

### 25.3 Appropriation Statement

The Ministry incurred expenditure totaling \$9.1 million in 2022 against a revised budget of \$9.7 million resulting in unutilized budget of \$0.6 million or 6.2%.

Details of expenditure against the revised budget are provided in Table 25.1.

**Table 25.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established	1,690,657	7,480	1,698,137	1,675,660	22,477
2	Government Wage Earners	171,196	13,150	184,346	182,631	1,715
3	Travel & Communication	114,000	10,400	124,400	117,860	6,540
4	Maintenance & Operations	217,240	43,100	260,340	230,340	30,000
5	Purchase of Goods & Services	468,650	2,641	471,291	400,203	71,088

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants &	5,876,000	---	5,876,000	5,846,000	30,000
7	Special Expenditure	529,000	(81,630)	447,370	395,336	52,034
	<b>Total Operating Expenditure</b>	<b>9,066,743</b>	<b>(4,859)</b>	<b>9,061,884</b>	<b>8,848,030</b>	<b>213,854</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants &	492,000	4,859	496,859	133,277	363,582
	<b>Total Capital Expenditure</b>	<b>492,000</b>	<b>4,859</b>	<b>496,859</b>	<b>133,277</b>	<b>363,582</b>
13	Value Added Tax	119,600	---	119,600	92,964	26,636
	<b>TOTAL</b>	<b>9,678,343</b>	<b>---</b>	<b>9,678,343</b>	<b>9,074,271</b>	<b>604,072</b>

The unutilized budget was largely due to the following:

- a) Savings in Purchases of Goods and Services (SEG 5) of \$71,088 or 15% was due to the reduction in Fiji National Youth band expenses and livestock purchases for both Nasau and Naleba Youth Training Centers.
- b) A savings of \$363,582 or 73% in Capital Grants and Transfers was a result of delay in completion of hard-court projects which was spilled over to the new financial year.

## PART B: SIGNIFICANT MATTERS

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matter highlighted in this report, include control weakness which *could cause* or *is causing* severe disruption to the process or on the ability of an auditee to achieve process objectives and comply with relevant legislation.

It is likely that this issue may have an impact on the operations of the Ministry in future, if necessary, action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2022.

### 25.4 Absence of Grant Agreements of Donor Funds Received

The audit noted that the Ministry had received grants from the various donors during the year without having the signed Grant Agreement in place. Refer to Table 25.2 for details.

**Table 25.2: Donor Funds Assistance Details**

Donor	Amount (\$)	Comments
A	74,540	No Grant Agreement was signed. Only a letter of request was provided.
B	8,636	No Grant Agreement was signed for the assistance provided.

There were no adequate explanations provided by the Ministry for the non-signing of grant agreements with the donor agencies.

Failure to address this issue could have an impact due to improper accountability and poor governance in the managing of donor funds administered without a valid agreement.

#### **Recommendation**

**The Ministry should ensure that a Memorandum of Agreement is signed between the Ministry and the Donors for all donor funds received.**

#### **Agreed Management Action**

*The recommendation is kindly acknowledged and noted. The arrangements for the Donor A were basically facilitated. The Ministry was asked to collect the cheque from the Donor A once it was ready. However, the Ministry will ensure that an agreement is signed in the future once such funding is received.*

## PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

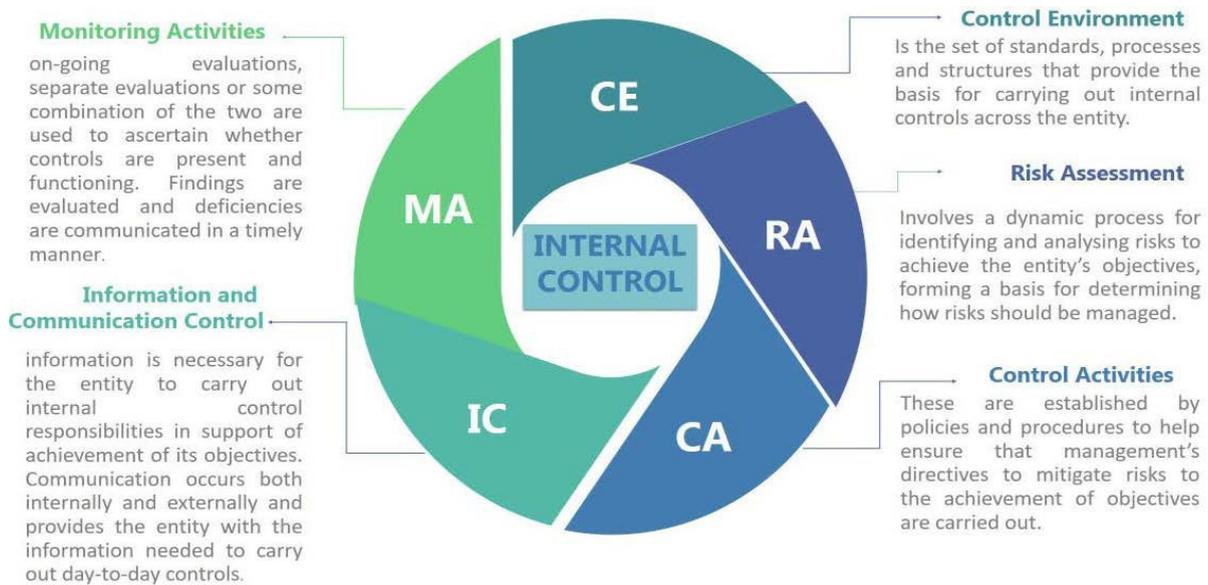
### 25.5 Internal Controls

During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

A *deficiency* occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing.

A *significant deficiency* is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

Internal controls are categorized against the following five components of internal control.



A summary of assessment of key controls based on our 2022 audit are as follows:

Control Environment	Risk Assessment	Control Activities	Information & Communication Control	Monitoring Activities
★	★	★	★	★

In view of the above, we have assessed the internal controls of the Ministry as:

Rating	Internal control assessment
★ Effective	No significant deficiencies identified in internal controls

## 25.6 Submission of FY 2022 Draft Agency Financial Statements

On 29 April 2022, Permanent Secretary for Finance issued Circular No. 06/2021 - 2022 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2022 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Closing date for journal adjustments by 08 August 2022		Cancellation of unprocessed purchase orders by 18 July 2022	
Clearance of Inter-departmental clearance accounts by 05 August 2022		Processing of payments by 28 July 2022	
Clearance of stale cheques by 05 August 2021		Processing of virement by 19 August 2022	
Annual Board of Survey on Drawings Account cheques by 26 August 2022		Completion of reconciliations by 26 August 2022	
Retirement of imprests by 15 July 2022		Submission of arrears of revenue returns by 26 August 2022	

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Based on information received, we have assessed the 2022 year-end close process as:

Rating	Year-end close process assessment
 Generally Effective	9 of 10 key processes completed within 2 weeks of due date.

## 25.7 Quality of Draft Financial Statements by Entities

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the impact these adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment for the Ministry was:

Rating	Quality of draft financial statements assessment
 Effective	No adjustment were required

## 25.8 Timeliness of Draft Financial Statements

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of draft financial statements assessment
☀ Generally Effective	Acceptable draft financial statements received on or before 31 October 2022

## 25.9 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
🌿 Effective	Within 14 days from issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
☀ Generally Effective	Within 15 days from issue of Financial Statements for signing



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