



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

# REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI

AUDIT REPORT ON FOLLOW UP OF HIGH RISK  
MINISTRIES / DEPARTMENTS



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 41 OF 2024



OFFICE of the AUDITOR GENERAL  
Republic of Fiji

VISION

Promoting public sector accountability  
and sustainability through our audits

To provide independent value adding  
audit services

MISSION

To provide an environment where  
our people can excel

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.

VALUES

COMPETENCE

We deliver to the best  
of our abilities and to  
the highest standard of  
professional conduct.

TRANSPARENCY

Our processes  
are transparent.

CONFIDENTIALITY

We maintain audit  
related information  
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

15 April 2024

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

Dear Sir

## **AUDIT REPORT ON FOLLOW UP OF HIGH RISK MINISTRIES/DEPARTMENTS**

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Follow-up-of 2018-2019 Auditor-General's Reports for High Risk Ministries/Departments.

A copy of the report has been submitted to the Minister of Economy 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 Republic of Fiji. Its roles and responsibilities include determining whether the operations or activities of entities are being performed effectively, economically and efficiently and in compliance with all relevant legislation. 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.

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.

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

### FOLLOW-UP AUDITS FOR:

- Ministry of Rural and Maritime Development and National Disaster Management
- Republic of Fiji Military Forces
- Fiji Police Force
- Ministry of Education, Heritage and Arts & Higher Education Institutions
- Ministry of Health & Medical Services
- Ministry of Women, Children and Poverty Alleviation
- Ministry of Agriculture
- Ministry of Infrastructure and Transport



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## **1.0 Follow-up of Audit Recommendations**

The Audit Act 1969 requires the Auditor-General to issue an audit memorandum to the responsible authority for each entity that is subject to an audit. The audit memorandum includes observations made during the audit and suggestions or recommendations for improvement which are reported to management and those charged with governance of an entity.

Every year the Auditor-General must report to Parliament on audits conducted and on other significant matters the Auditor-General wishes to bring to the attention of Parliament.

Although the Auditor-General reports to Parliament with recommendations to improve the performance or enhance accountability of public sector entities, the Auditor-General is not responsible nor does it have the powers to enforce the implementation of these recommendations.

As a matter of good governance, all public sector entities should have systems and processes to consider and implement recommendations of the Auditor-General.

Parliamentary committees also have a key role in reviewing findings and recommendations reported to Parliament.

## 2.0 Summary

This report covers the outcome of follow-up audits of audit recommendations provided in the 2018, 2019 audits for high-risk Ministries and Departments. The follow-up audits were carried out during the audit of the 2023/2024 Agency Financial Statements. The following reports and agencies were covered:

### 2018

- **Audit Report on General Administration Sector 2018 – Parliamentary paper no. 148 of 2019** covering Ministry of Rural and Maritime Development and National Disaster Management, Republic of Fiji Military Forces, Fiji Police Force.
- **Audit Report on Social Services Sector 2018 - Parliamentary paper no. 149 of 2019** covering Ministry of Women, Children and Poverty Alleviation.
- **Audit Report on Economic Services Sector 2018 - Parliamentary paper no. 147 of 2019** covering Ministry of Agriculture
- **Audit Report on Infrastructure Sector 2018 – Parliamentary paper no. 150 of 2019** covering Ministry of Infrastructure and Transport.
- **Remaining 2018 Audit Report on General Administration, Social Services and Economic Services Sectors – Parliamentary paper no. 187 of 2020** covering Ministry of Education, Heritage & Arts, Higher Education Institutions and Ministry of Health & Medical Services

### 2019

- **Audit Report on General Administration Sector 2019 – Parliamentary paper no. 25 of 2021** covering Ministry of Rural and Maritime Development and National Disaster Management, Republic of Fiji Military Forces, Fiji Police Force.
- **Audit Report on Social Services Sector 2019 - Parliamentary paper no. 27 of 2021** covering Ministry of Education, Heritage and Arts, Ministry of Health and Medical Services, Ministry of Women, Children and Poverty Alleviation.
- **Audit Report on Economic Services Sector 2019 - Parliamentary paper no. 24 of 2021** covering Ministry of Agriculture
- **Audit Report on Infrastructure Sector 2019 – Parliamentary paper no. 26 of 2021** covering Ministry of Infrastructure and Transport.

This report examines the extent of implementation of the audit recommendations made in these reports. Detailed status update on follow-up audits done on reports of the eight high-risk agencies are provided in **Appendix A**.



### **3.0 Conclusion**

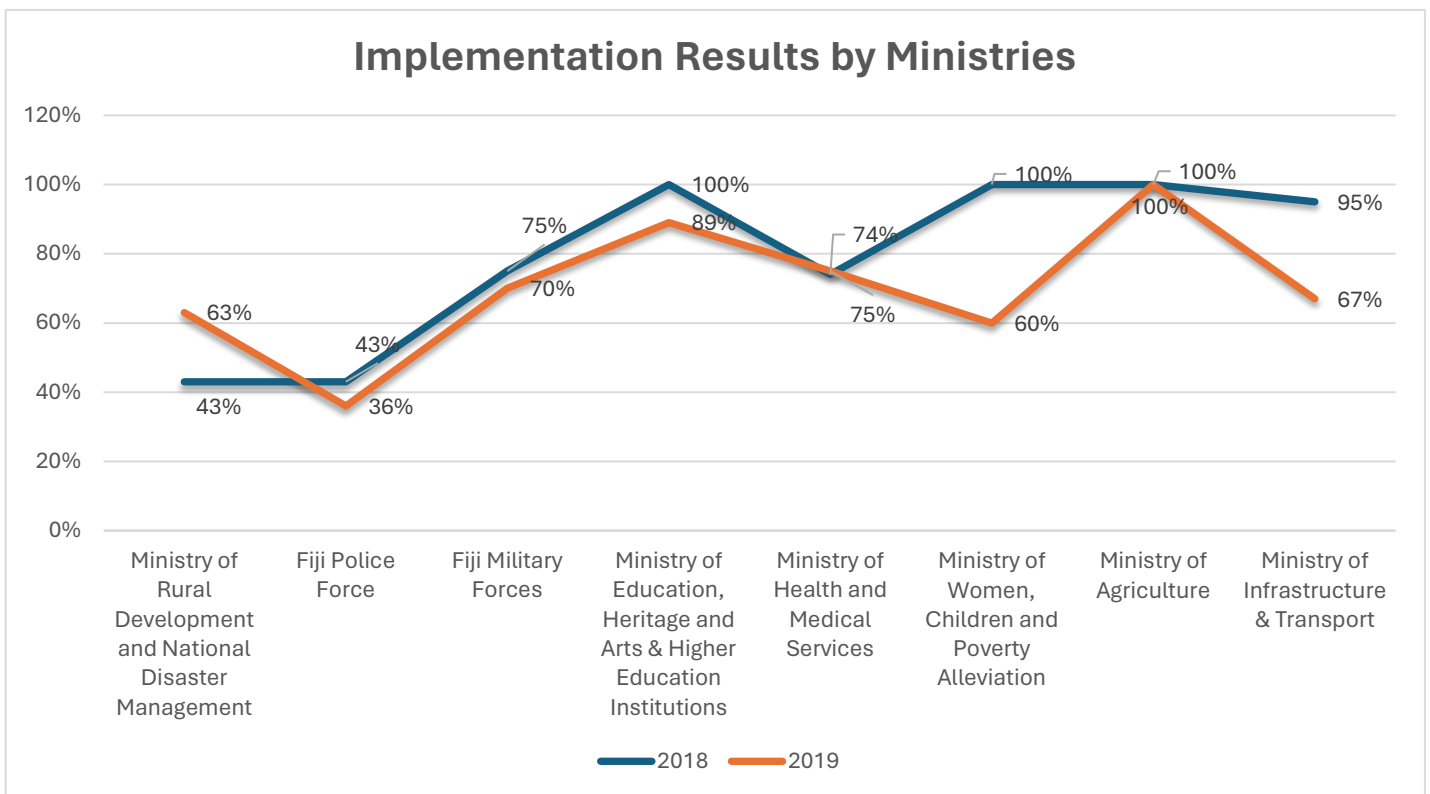
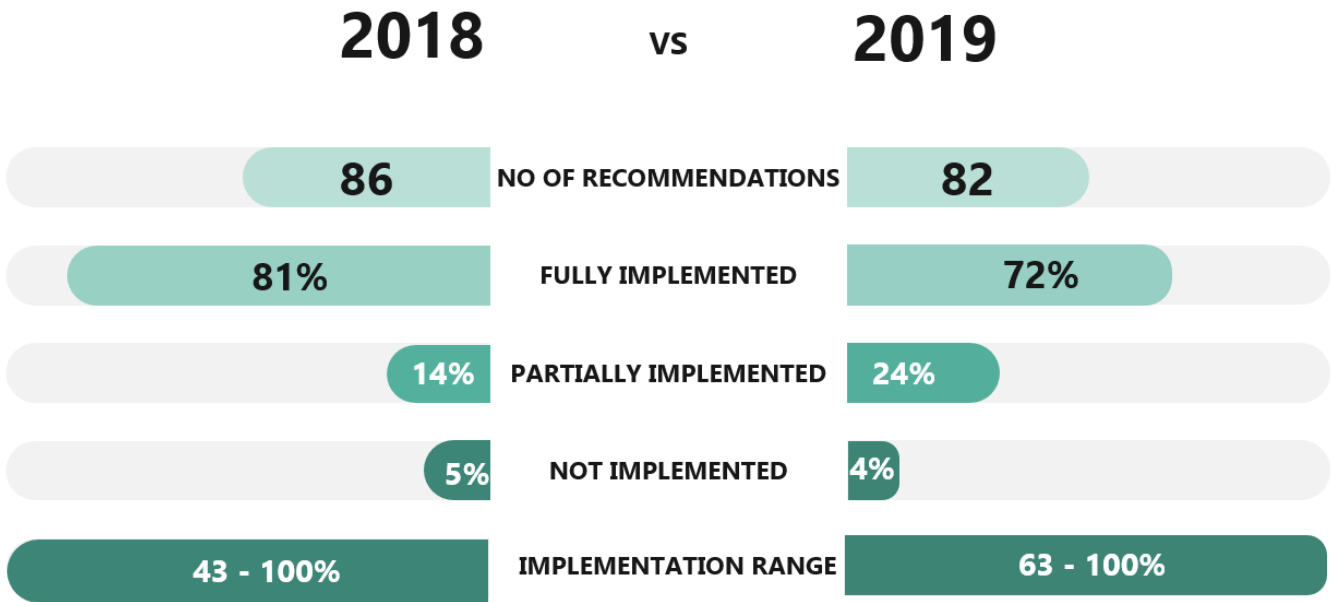
In 2018, only 81% of the recommendations were fully implemented, 14% were partially implemented and 5% were not implemented at all. In 2019, only 72% of the recommendations were fully implemented, 24% were partially implemented and 4% were not implemented at all.

Necessary action should be taken to fully implement the remaining recommendations. There is a possibility that Permanent Secretaries of some agencies have not been regularly updated on the status of the implementation of recommendations by their accounting heads as required.

The implementation rate can be improved if recommendations made in this report are implemented and outstanding audit issues are included in the agenda of all monthly meetings of agencies. This can be achieved by the formation of Audit Committees by Permanent Secretaries. The role of the Audit Committee could be expanded to include findings or internal audits and matters relating to risk of agencies.

### 4.0 Key findings

The key findings for the eight high-risk Ministries & Departments during the 2023/2024 audits for which audit recommendations were followed up for implementation are as follows:



#### 4.1 Recommendations

Permanent Secretaries as Chief Accounting Officers must ensure that:

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

## 5.0 Background

Recommendations made in audit reports of high-risk Ministries and Departments in each budget sectors were followed up during the audit of the 2023/2024 Agency Financial Statements. This follow-up audit was done in accordance with the OAG Follow-up Audit Guidelines. A copy of the guidelines is provided in Appendix B.

The follow-up audit provides an opportunity for recommendations made in audit reports which have been tabled in Parliament in prior years to be tracked and reported for implementation. It is the generally accepted view that control and other deficiencies identified during audits can be best resolved by addressing recommendations made in audit reports.

Reporting of results of follow up audit is intended to encourage those charged with governance in ministries and departments to fully implement all recommendations made. It is likely as control issues are addressed through implementation of recommendations, the number of recommendations made in audit reports will decrease over time and indicate value-adding through the audit process. This is consistent with the objectives of Supreme Audit Institutions like the Office of the Auditor –General of Republic of Fiji which is “making a difference to the lives of citizens.”

### Basis for High-Risk Audit Classification

Agencies are classified as high-risk audit due to various factors such as large number of year-end transactions; high budgetary funding, being implementing agencies for government policies, extremely complex transactions and the specialized nature of operation and may also include lack of good internal controls practices which have been highlighted in previous audits.

## 6.0 Implementation Status

The status of implementation of recommendations made in the 2018, 2019 audit reports by various high-risk agencies is shown in Table 1.1 below.

**Table 1.1 Implementation Status of Audit recommendations**

Ministry/Department	Date of Follow Up Audit	Total	Fully Implemented	F/IM P	P/IM P	N/IM P
<b>Audit Report on General Administration Sector 2018</b>						
Ministry of Rural Development and National Disaster Management	4/4/24	7	43%	3	3	1
Fiji Police Force	22/2/24	7	43%	3	1	3
Fiji Military Forces	2/4/24	8	75%	6	2	
<b>Audit Report on Social Services Sector 2018</b>						
Ministry of Education, Heritage and Arts & Higher Education Institutions	21/3/24	10	100%	10		
Ministry of Health and Medical Services	6/3/24	19	74%	14	5	
Ministry of Women, Children and Poverty Alleviation	8/3/24	2	100%	2		
<b>Audit Report on Economic Services Sector 2018</b>						
Ministry of Agriculture	29/09/23	13	100%	13		
<b>Audit Report on Infrastructure Sector 2018</b>						
Ministry of Infrastructure & Transport	22/2/24	20	95%	19	1	

Ministry/Department	Date of Follow Up Audit	Total	Fully Implemented	F/IM P	P/IM P	N/IM P
<b>Audit Report on General Administration Sector 2019</b>						
Ministry of Rural Development and National Disaster Management	4/4/24	8	63%	5	3	
Fiji Police Force	22/2/24	11	36%	4	5	2
Fiji Military Forces	2/4/24	10	70%	7	3	
<b>Audit Report on Social Services Sector 2019</b>						
Ministry of Education, Heritage and Arts & Higher Education Institutions	21/3/24	9	89%	8	1	
Ministry of Health and Medical Services	6/3/24	16	75%	12	4	
Ministry of Women, Children and Poverty Alleviation	8/3/24	5	60%	3	2	
<b>Audit Report on Economic Services Sector 2019</b>						
Ministry of Agriculture	29/09/23	14	100%	14		
<b>Audit Report on Infrastructure Sector 2019</b>						
Ministry of Infrastructure & Transport	22/2/24	9	67%	6	3	

### LEGEND

**F/IMP** – Fully Implemented

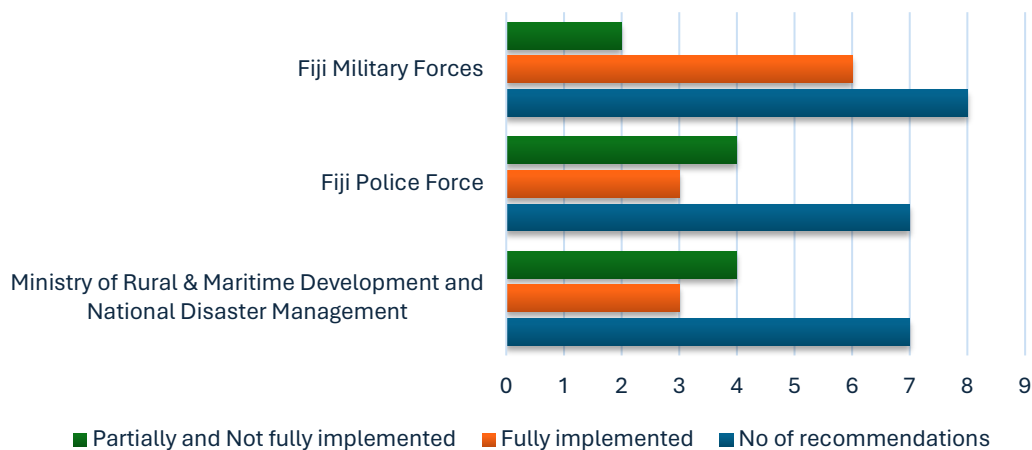
**P/IMP** – Partially Implemented

**N/IMP** – Not Implemented

**N/UPD** – No update provided

The graphical presentation of total recommendations against those fully implemented by sector is shown below.

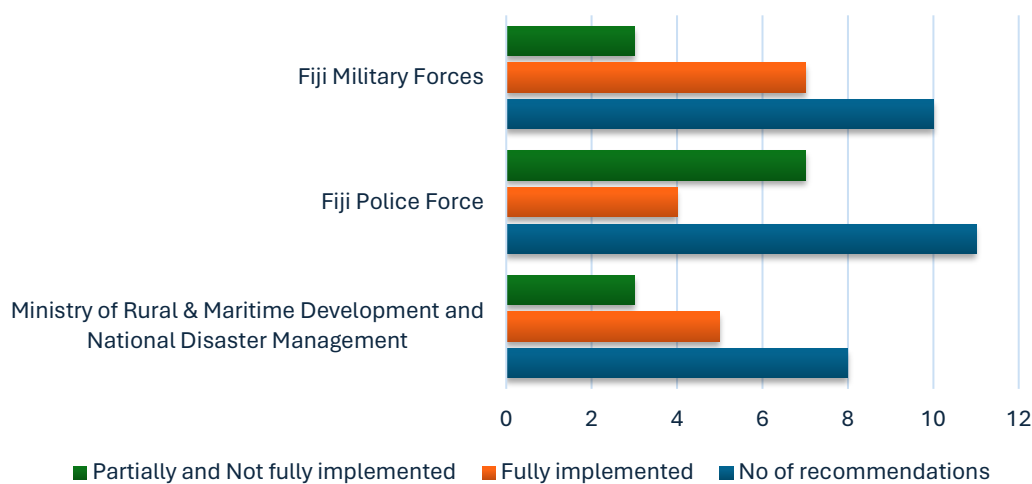
### General Administration Sector 2018



The Fiji Military Forces had the highest number of recommendations with 75% fully implemented.

A total of 10 recommendations were either partially or not fully implemented for the sector.

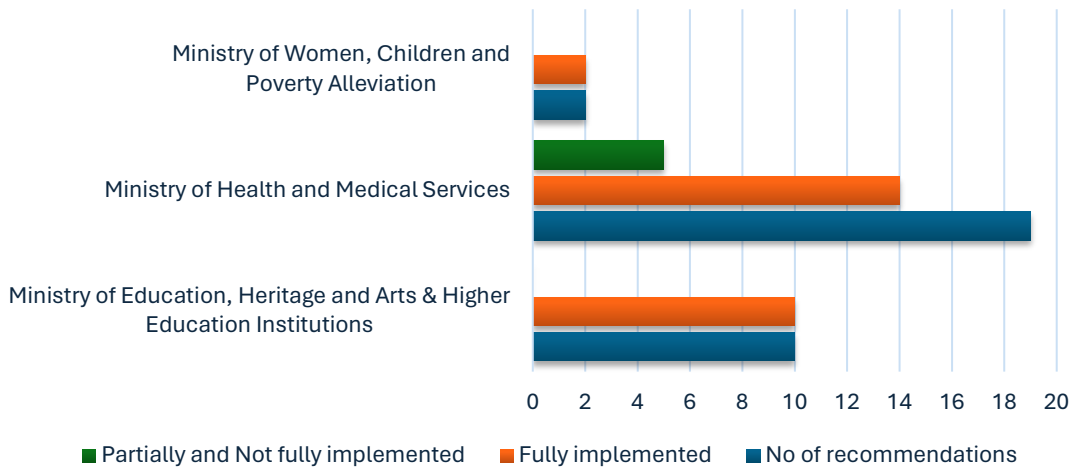
### General Administration Sector 2019



The Fiji Police Force had the highest number of recommendations with 36% fully implemented.

A total of 13 recommendations were either partially or not fully implemented for the sector.

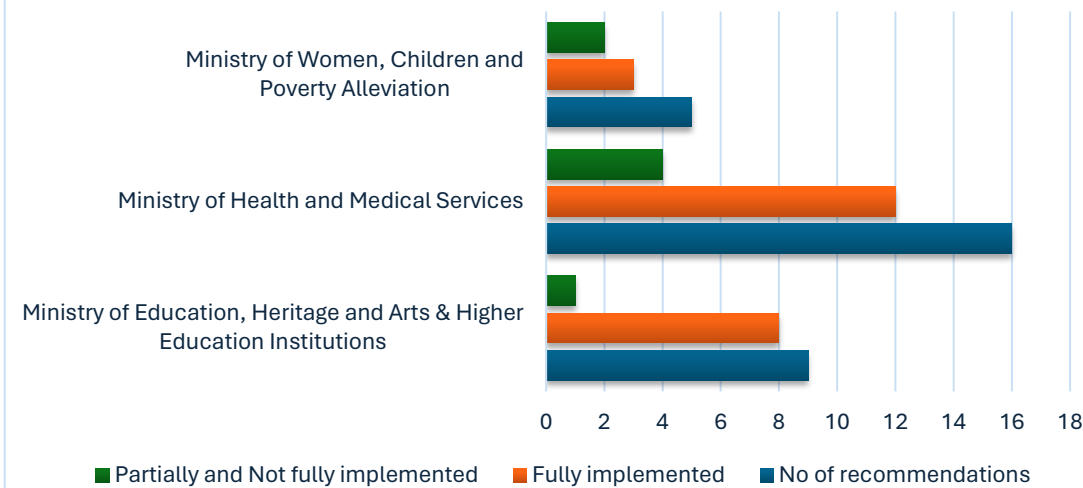
### Social Services Sector 2018



The Ministry of Health & Medical Services had the highest number of recommendations with 74% fully implemented.

A total of 5 recommendations were either partially or not fully implemented for the sector.

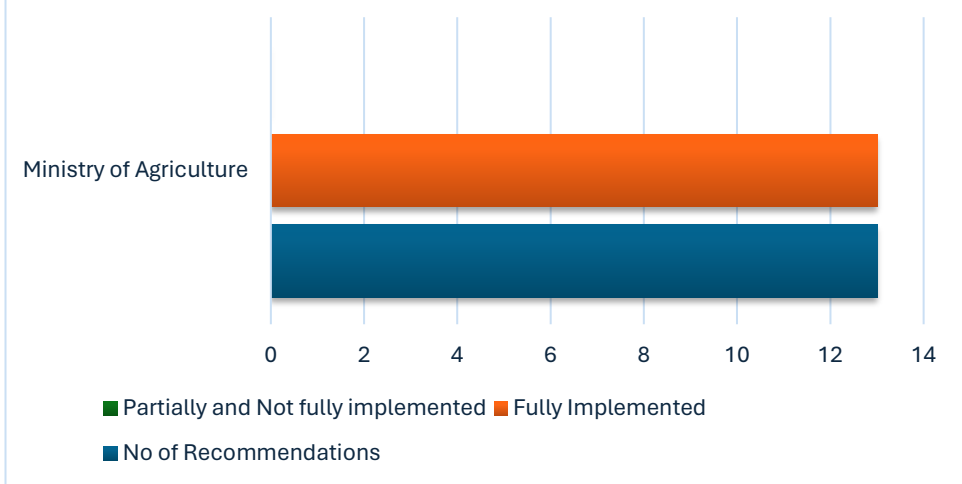
### Social Services Sector 2019



The Ministry of Health & Medical Services had the highest number of recommendations with 75% fully implemented.

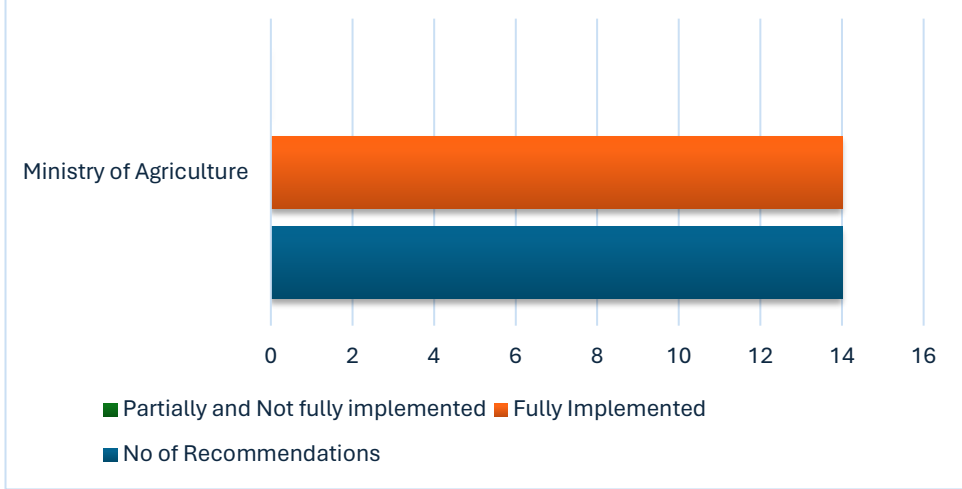
A total of 7 recommendations were either partially or not fully implemented for the sector.

### Economic Services Sector 2018



Ministry of Agriculture had implemented 13 or 100% of the total 13 recommendations.

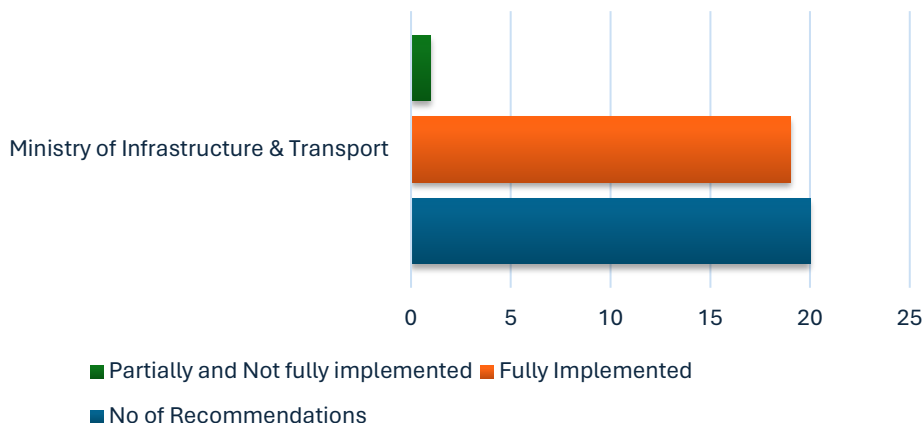
### Economic Services Sector 2019



Ministry of Agriculture had implemented 14 or 100% of the total 14 recommendations.



### Infrastructure Sector 2018

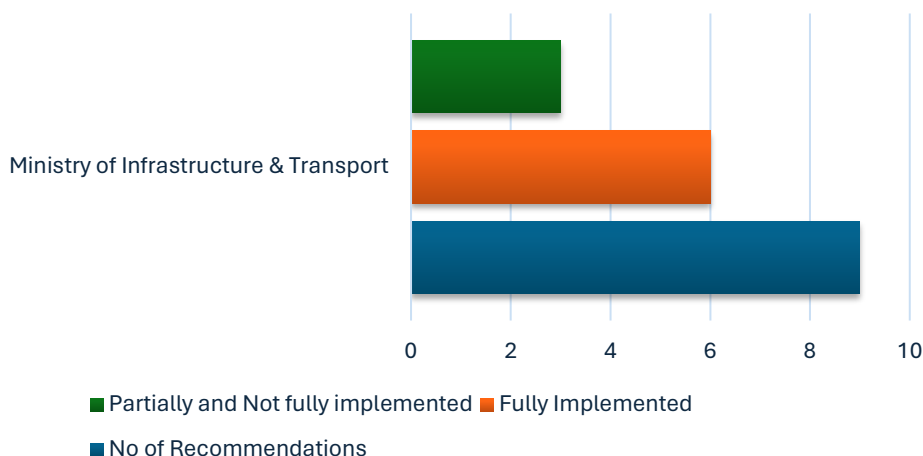


Ministry of Infrastructure & Transport had fully implemented 19 or 95% of the total 20

recommendations.

A total of 1 or 5% were either partially or not fully implemented.

### Infrastructure Sector 2019



Ministry of Infrastructure & Transport had fully implemented 6 or 67% of the total 9

recommendations.

A total of 3 or 33% were either partially implemented.

**Ministry of Rural  
Maritime Development  
&  
National Disaster Management**

## 7.0 Appendix A: Detailed Status Update


### 7.1 Ministry of Rural and Maritime Development and National Disaster Management

Recommendations in Report for General Administration Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations for the Ministry of Rural Maritime and Development and National Disaster Management was done 4/4/24. It is recommended that the Ministry;			
<p><b>Significant Arrears of Revenue</b></p> <p>1. Ensure that</p> <ul style="list-style-type: none"> <li>• Setting up the Internal Arrears of Revenue Collection Taskforce Committee to review, verify and manage the arrears</li> <li>• Consider engaging the District Advisory Councilors and Turaga ni Koro/Mata ni Tikina in terms of monitoring of illegal business operators in their boundaries.</li> <li>• Clear monitoring of revenue guideline/manual should be drafted as a proactive measure to avoid any legal breaches or conflict in opinion</li> <li>• There is a database for Business License for ease of monitoring, data management and decision making</li> </ul> <p><b>Impact and Sustainability Assessment</b></p> <p>2. Ensure that</p> <ul style="list-style-type: none"> <li>• The Ministry are to carry out the impact and sustainability assessment of its assistance program at a regular intervals of 3 to 5 years in order to gauge its assistance program effectiveness, suitability, impact and sustainability</li> </ul> <p><b>Information Management Database</b></p> <p>3. Ensure that</p> <ul style="list-style-type: none"> <li>• A database is established to consolidate and capture information on all programmes to assist in reviewing the effectiveness of the programmes and improving policies and guidelines.</li> </ul> <p><b>Absence of Risk Management Framework</b></p> <p>4. Ensure that</p> <ul style="list-style-type: none"> <li>• There is work towards establishing a governance and accountability function that supports the operations of the Ministry by providing financial and operational risk</li> </ul>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	

Recommendations in Report for General Administration Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations for the Ministry of Rural Maritime and Development and National Disaster Management was done 4/4/24. It is recommended that the Ministry;</p> <p>management and management of external reporting obligations.</p> <p><b>Delay in Implementation of PSIP Projects</b> 5. Ensure;</p> <ul style="list-style-type: none"> <li>• Improving its planning process to ensure that all the preparatory works are completed for planned projects before requesting the budget for construction;</li> <li>• Recruiting a suitable officer with strong background in the project management and/or building/infrastructure engineering.</li> </ul> <p><b>Rural Housing Assistance Programme</b> 6. Ensure that;</p> <ul style="list-style-type: none"> <li>• Rural Housing Assistance Standard Operating Procedure is reviewed;</li> <li>• The Rural Local Authority and/or the Rural Housing Unit Technical Officers should be involved in the inspection of the Rural Housing Projects during the construction phase and certifications upon completion;</li> <li>• The Rural Housing and PAP building plan/design should be reviewed at a regular interval to evaluate its strength, suitability and sustainability.</li> </ul> <p><b>Backlog projects</b> 7. Ensure</p> <ul style="list-style-type: none"> <li>• that the detailed breakdown listing of the respective trust balances are maintained and attached to the monthly reconciliation;</li> <li>• reviewing the backlog project and prepare the action plan/timeline to execute those projects;</li> <li>• strengthening its project implementation unit to ensure the projects are executed on a timely manner.</li> </ul>	<p>✓</p>	<p>✓</p>	<p>✓</p>

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations for the Ministry of Rural Maritime and Development and National Disaster Management was done on 4/4/24. It is recommended that the Ministry;</p> <p><b>Non- Implementation of PSIP Projects</b></p> <p>1. Ensure;</p> <ul style="list-style-type: none"> <li>• Improving its planning process and coordination within the Ministry and with relevant stakeholders such as MOIT and CIU to ensure that projects are executed as planned; and</li> <li>• Improving consultation with the Ministry of Economy and seek additional funding and approval to roll-over continuing projects on a timely manner.</li> </ul> <p><b>Income generating projects (Self-Help Programme) not sustainable</b></p> <p>2. Ensure;</p> <ul style="list-style-type: none"> <li>• That all Income Generating Projects (IGPs) are properly vetted and appraised to confirm their viability prior to being approved for assistance;</li> <li>• Revising SOP to include risk profiling of each projects to ensure that all risks such as lack of experience, business skills and access to market are considered during appraisal of projects; and</li> <li>• Providing ongoing monitoring and guidance on the performances of their IGPs as well as provide an evaluation exercise on the sustainability of past projects.</li> </ul> <p><b>Duplication Assistance</b></p> <p>3. Ensure;</p> <ul style="list-style-type: none"> <li>• Considering revising and refining the scope and the type of assistance given under the CARFF and SHPs to avoid duplication of assistances already offered by other government agencies;</li> <li>• Consultation with other government agencies establish a national database to consolidate and capture information on the types of assistance provided to individuals, groups, villages or communities under each government capital programmes; and</li> <li>• Formulation, in the absence of database, a checklist that fully captures past assistance received by applicants which needs to be verified with other government agencies.</li> </ul>	<p>✓</p>	<p>✓</p>	

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations for the Ministry of Rural Maritime and Development and National Disaster Management was done on 4/4/24. It is recommended that the Ministry;</p> <p><b>Anomalies noted in CARFF Projects</b></p> <p>4. Ensure;</p> <ul style="list-style-type: none"> <li>• Carry out appraisal, preliminary investigation and risk profiling for each project to ensure that the projects are feasible and sustainable after implementation;</li> <li>• Necessary planning and reviews are in place to ensure the CARFF project funds are fully utilised before the end of the financial year; and</li> <li>• A legally binding contract which has been vetted by the Solicitor-General's Office is entered between the Ministry and a contractor to protect the interest of government.</li> </ul> <p><b>Anomalies in Procurement of Goods and Services</b></p> <p>5. Ensure that;</p> <ul style="list-style-type: none"> <li>• Full compliance is made with its Finance Manual, procurement and capital programme procedures and Finance Instructions at all times;</li> <li>• All payments are authorised if they are substantiated with adequate supporting documents as required by the Finance Manual and procedures; and</li> <li>• Building materials supplied to recipients are verified and signed-off by DOs or ADOs; and • necessary disciplinary actions is taken against officers that continue to breach financial regulations.</li> </ul> <p><b>Impact and Sustainability Assessments</b></p> <p>6. Ensure that;</p> <ul style="list-style-type: none"> <li>• The Ministry should carry out the impact and sustainability assessment of its assistance programs at a regular intervals of 3 to 5 years in order to gauge its effectiveness, suitability, impact and sustainability.</li> </ul> <p><b>Quarters Management</b></p> <p>7. Housing Board should ensure;</p> <ul style="list-style-type: none"> <li>• The welfare of civil servants occupying the quarters are given adequate attention and priority;</li> </ul>	<p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations for the Ministry of Rural Maritime and Development and National Disaster Management was done on 4/4/24. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>• Proper level of coordination is undertaken between the Ministry and CIU on seeking adequate funding to refurbish the quarters;</li> <li>• Tenancy agreement are signed with all the quarters occupants;</li> <li>• Bond deposits are deducted from occupants to cover damages and outstanding bills.</li> </ul> <p><b>Information Management Database</b></p> <p>8. Ensure;</p> <ul style="list-style-type: none"> <li>• Establish a database to consolidate and capture information on all programmes to assist in reviewing the effectiveness of the programmes and improving policies and guidelines.</li> </ul>			

# Republic of Fiji

## Military Forces



7.2 Republic of Fiji Military Forces

Recommendations in Report for General Administration Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations for the Republic of Fiji Military Forces was done on 2/4/24. It is recommended that the Republic of Fiji Military Forces;</p>			
<p><b>Procurement of equipment and stores supplies</b> 1. Ensure that;</p> <ul style="list-style-type: none"> <li>• Tenders are called for the procurements of goods and services that are part of their operational needs so that best prices and qualities are locked for a longer period of time through contractual agreement.</li> </ul>	✓		
<p><b>Significant savings noted for the Force Capital Projects</b> 2. Ensure;</p> <ul style="list-style-type: none"> <li>• improving its planning process to ensure that all the capital works/procurement planned for year are completed and all funds budgeted are effectively utilized at year end.</li> </ul>	✓		
<p><b>Overpayment of military personnel</b> 3. Ensure;</p> <ul style="list-style-type: none"> <li>• Seeking life certificates from all the existing pensioners on six monthly basis;</li> <li>• Seeking legal advice on the possible recovery of the overpayment.</li> </ul>	✓		
<p><b>Anomalies noted in Leave Management</b> 4. Ensure that;</p> <ul style="list-style-type: none"> <li>• The Force Human Resource Unit at the HQ should map out their records with the records kept at the respective Units' orderly rooms to ensure that the leave balances recorded in each officers Unit Personal Files reconciles with the records maintained at HQ at all times;</li> <li>• The respective Units Orderly Rooms chief clerks to update/advice HQ on a fortnightly basis on the leave status of their respective Units;</li> <li>• The Force to encourage Officers to utilize their leave as and when due and discourage leave compensation.</li> </ul>	✓		

Recommendations in Report for General Administration Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations for the Republic of Fiji Military Forces was done on 2/4/24. It is recommended that the Republic of Fiji Military Forces;			
<b>Anomalies noted in consolidated Trade and Manufacturing Account</b>			
5. Ensure that; <ul style="list-style-type: none"> <li>• The Chief Staff Officer Finance should ensure that account reconciliations are performed effectively and variances rectified in a timely manner.</li> </ul>	✓		
<b>Follow up on stores management performance audit</b>			
6. Ensure; <ul style="list-style-type: none"> <li>• Prioritizing the renovation of their warehouse to ensure that their storage facilities, which houses high valued stores items, are well secured.</li> </ul>	✓		
<b>Significant outstanding operating trust fund balance</b>			
7. Ensure; <ul style="list-style-type: none"> <li>• Timely clearance of the operating trust balance.</li> <li>• Setting up a task force unit with a specified timeframe to speed up the review of the postings made in the general ledger (FMIS) and clearance of outstanding balances carried forward.</li> <li>• Alternatively, the Force may consider liaising directly with the relevant authorities/entities and seek confirmation that all dues was cleared for the period concern.</li> </ul>		✓	
<b>Effectiveness of the Internal Audit Function</b>			
8. Ensure; <ul style="list-style-type: none"> <li>• Developing an internal audit charter outlining the internal audit functions purpose, authority, responsibility and position within the Force;</li> <li>• Following the establishment of the internal audit charter, an annual audit program should be developed based on risk assessment of key functional units within the Force;</li> <li>• The Internal Audit team should carry out reviews on the effectiveness of its internal controls, systems and processes particularly in the areas of risk and provide recommendation where deficiencies exist; and</li> </ul>		✓	

Recommendations in Report for General Administration Sector - 2018	Status		
Follow up for the recommendations for the Republic of Fiji Military Forces was done on 2/4/24. It is recommended that the Republic of Fiji Military Forces;	F/IMP	P/IMP	N/IMP
<ul style="list-style-type: none"> <li>That for the purpose of effectiveness and accountability, the Internal Audit function should directly report to the Force Commander.</li> </ul>			

Recommendations in Report for General Administration Sector - 2019	Status		
Follow up for the recommendations for the Republic of Fiji Military Forces was done on 2/4/24. It is recommended that the Republic of Fiji Military Forces;	F/IMP	P/IMP	N/IMP
<p><b>Irregularities in Processing of Payments</b></p> <p>1. Ensure that;</p> <ul style="list-style-type: none"> <li>All payments are properly certified by responsible officers prior to disbursement;</li> <li>Local Purchase Orders are issued where applicable at all times;</li> <li>No payments are to be authorised unless it can be substantiated with adequate supporting documents; and</li> <li>All payments vouchers are double-checked for accuracy before being certified for payments.</li> </ul>		✓	
<p><b>Absence and authenticity of competitive quotations</b></p> <p>2. Ensure that;</p> <ul style="list-style-type: none"> <li>Stipulated procurement procedures in place are adhered to at all times;</li> <li>Proper oversight and supervisory checks are in place in ensuring that the competitive quotes processes are strictly adhered to; and</li> <li>Appropriate disciplinary action should be instigated against officers failing to comply with procurement regulations.</li> </ul>		✓	
<p><b>Tender not called for procurements valued at \$50,000 or more</b></p> <p>3. Ensure that;</p> <ul style="list-style-type: none"> <li>Public tenders are called for any procurement of goods, services or works valued at \$50,000 or more; and</li> <li>The principle of promoting open and fair competition among suppliers and contractors are maintained.</li> </ul>	✓		

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations for the Republic of Fiji Military Forces was done on 2/4/24. It is recommended that the Republic of Fiji Military Forces;			
<p><b>Splitting of Local Purchased Order</b></p> <p>4. Ensure that;</p> <ul style="list-style-type: none"> <li>• Local Purchase Order(s) are approved within the respective Officer's authorised limit at all times; and</li> <li>• Appropriate disciplinary action should be taken against officers failing to comply with procurement regulations.</li> </ul> <p><b>Charging of expenditure to incorrect allocations</b></p> <p>5. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper procurement planning and budgeting are made; and</li> <li>• All expenditures are appropriately reflected in their correct allocation.</li> </ul>	✓	✓	
<p><b>Anomalies in dealings with a supplier for ration</b></p> <p>6. Ensure that;</p> <ul style="list-style-type: none"> <li>• Stipulated procurement procedures in place are adhered to at all times;</li> <li>• Proper oversight and supervisory check are in place and properly functioning; and</li> <li>• Appropriate disciplinary action should be taken against officers failing to comply with procurement regulations.</li> </ul>	✓		
<p><b>Overpayment of lodging allowance</b></p> <p>7. Ensure that;</p> <ul style="list-style-type: none"> <li>• Officers occupying the quarters are to inform immediate supervisors if they are receiving allowances outside their entitlement and immediate supervisors to promulgate cancellation of lodging allowance upon receiving report;</li> <li>• Stringent control and supervisory checks are put in place to ensure that all officers residing in quarters are not paid lodging allowance;</li> <li>• Recovery of overpaid lodging allowances should commence immediately from occupants that are receiving lodging allowances; and</li> </ul>	✓		

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations for the Republic of Fiji Military Forces was done on 2/4/24. It is recommended that the Republic of Fiji Military Forces;</p> <ul style="list-style-type: none"> <li>Regular inspection should be carried out by the Camp Commandant's Office to ensure officers occupying the quarters are not receiving lodging allowance.</li> </ul>			
<p><b>Anomalies noted in Leave Management</b></p> <p>8. Ensure that;</p> <ul style="list-style-type: none"> <li>The HR department at the HQ aligns its leave records with the records kept at the respective Units' orderly rooms;</li> <li>Respective Units' orderly room's Chief Clerks update/advice HQ on a timely basis, if any Officer is carrying excessive leave balance; and</li> <li>Annual leave plans are prepared to ensure that officers utilise their leave when due without hindering the continuity of the Force's functions</li> </ul>	✓		
<p><b>Salary Overpayments</b></p> <p>9. Ensure that;</p> <ul style="list-style-type: none"> <li>Strengthen its internal control procedures and ensure that the Pay Office is informed in a timely manner to cease salaries of departing officers;</li> <li>Take necessary measures to recover the overpayment; and</li> <li>Review and strengthen its payroll unit through resourcing and training.</li> </ul>	✓		
<p><b>Anomalies noted in the Rotuma Hospital Phase 2 Project</b></p> <p>10. Ensure that;</p> <ul style="list-style-type: none"> <li>Payroll reconciliations are prepared in the required format on a timely basis and are properly checked and verified by the supervising officer.</li> </ul>	✓		

# Fiji Police Force

## 7.3 Fiji Police Force

Recommendations in Report for General Administration Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Fiji Police Force was done on 22/2/24. It is recommended that Fiji Police Force;</p> <p><b>Operational of National Command Center</b></p> <p>1. Ensure;</p> <ul style="list-style-type: none"> <li>• Prioritizing the review and strengthen the operational needs of its National Command Center;</li> <li>• Considering engaging in a partnership with local business chambers/council and municipal councils on the installation and maintenance cost of the CCTV while the monitoring to be facilitated by the Force; and</li> <li>• That funds allocated for the CCTV camera is effectively and efficiently utilized.</li> </ul> <p><b>Police Waterpol Unit</b></p> <p>2. Ensure;</p> <ul style="list-style-type: none"> <li>• Reviewing and strengthening its WaterPol Unit establishment and operational need;</li> <li>• To strategize ways to increase its visibility, timely interception and deterrence for criminal's/drug peddlers from their criminal activities;</li> <li>• To develop the Standard Operating Procedures to guide the Water Pol operation;</li> <li>• To review the need for the type of vessel/boat required for current/future operation needs and equip it with the basic navigational equipment for the safety of the officers and as well as to effectively deliver its service; and</li> <li>• To effectively plan the utilization of funds allocated for Police WaterPol Unit.</li> </ul> <p><b>Force Information Technology (IT) Strategy Plan</b></p> <p>3. Ensure to;</p> <ul style="list-style-type: none"> <li>• Establish and strengthen its IT Unit;</li> <li>• Consider recruiting experience system analyst and software developers to assist in programming and apps development;</li> </ul>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>		

Recommendations in Report for General Administration Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Fiji Police Force was done on 22/2/24. It is recommended that Fiji Police Force;			
<ul style="list-style-type: none"> <li>• Set up the taskforce/Working Group to review its IT capability and needs, consult with the respective stakeholders and prepare the strategic plan for its implementation; and</li> <li>• Seek funding through annual appropriation or seek donor funding for institutional strengthening through partnership approach.</li> </ul>			
<p><b>Poor condition of Force quarters</b></p>	✓		
<p>4. Ensure;</p> <ul style="list-style-type: none"> <li>• Reviewing the status/condition of all its stations/quarters and prioritize its maintenance/repairs in next budget in accordance to the police modernization plan;</li> <li>• To carry out maintenance and repairs by the Building and Maintenance Unit on a timely manner;</li> <li>• Inspections of quarters and stations are strictly carried out by the Station Officer on a regular basis; and</li> <li>• Taking necessary action is instituted against officers who damage or do not maintain the quarters in good condition.</li> </ul>			
<p><b>Variance in Revenue records</b></p>			✓
<p>5. Ensure;</p> <ul style="list-style-type: none"> <li>• Regularly reconciling the Police Clearance issued data from the Criminal Record Unit with the revenue records submitted from the division on a monthly basis; and</li> <li>• Investigating and rectifying the variance noted between the two records.</li> </ul>			
<p><b>Police Trust Fund</b></p>			✓
<p>6. Ensure;</p> <ul style="list-style-type: none"> <li>• Liaising with Ministry of Economy on reflecting the Police Band Trust Fund account in the FMIS General Ledger and consequently in the Force Financial Statements.</li> </ul>			
<p><b>Significant outstanding operating trust fund balance</b></p>			✓
<p>7. Ensure;</p> <ul style="list-style-type: none"> <li>• Timely clearance of the operating trust balance;</li> </ul>			



Recommendations in Report for General Administration Sector - 2018	Status		
- 2018	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Fiji Police Force was done on 22/2/24. It is recommended that Fiji Police Force;	F/IMP	P/IMP	N/IMP
<ul style="list-style-type: none"> <li>Setting up a task force unit with a specified timeframe to speed up the review of the postings made in the general ledger (FMIS) and clearance of outstanding balances carried forward;</li> <li>Considering liaising directly with the relevant authorities FNPF, FRCS, Welfare Scheme and Credit Union and seek confirmation that all dues were cleared for the period in concern.</li> </ul>			

Recommendations in Report for General Administration Sector - 2019	Status		
- 2019	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Fiji Police Force was done 22/2/24. It is recommended that Fiji Police Force;	F/IMP	P/IMP	N/IMP
<p><b>Force Management of Stores</b></p> <p>1. Ensure;</p> <ul style="list-style-type: none"> <li>Including unit price of all stock maintained in all its Stores to accurately determine the value of stock held at a particular point in time;</li> <li>Timely update of tally cards whenever stock is received or issued from Stores;</li> <li>Routine inspections are carried out by Station Officers on the updating of tally cards;</li> <li>Conducting training or refresher courses to stores personnel for better stores management;</li> <li>That all its Stores are kept clean and tidy at all times and items are properly arranged in a systematic manner to enable easy re-stock or removal of items from the Stores; and</li> <li>Coordinating with the Force's Assets Management Unit on the disposal all obsolete, damaged and old unused items still maintained in all Police Stations Stores.</li> </ul> <p><b>Storage of Exhibits</b></p> <p>2. Ensure;</p> <ul style="list-style-type: none"> <li>That all exhibits are properly stored in a safe and secure room at all times;</li> </ul>		✓	
		✓	

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Fiji Police Force was done 22/2/24. It is recommended that Fiji Police Force;			
<ul style="list-style-type: none"> <li>• Considering improvements to the current police stations particularly in terms of size to ensure that proper space is available to cater for its critical needs; and</li> <li>• That the Exhibit Store are kept clean and tidy at all times.</li> </ul>			
<p><b>Funds for upgrade &amp;-construction of quarters &amp; institutions not utilized</b></p>	✓		
<p>3. Ensure;</p> <ul style="list-style-type: none"> <li>• Allocated funds are utilised as appropriated;</li> <li>• Proper coordination is undertaken between the Force and CIU to address matters regarding the implementation of Force projects on time;</li> <li>• Risks arising to the occupants living in Force quarters is properly mitigated; and</li> <li>• Regular maintenance and repairs are carried out.</li> </ul>			
<p><b>Procurement of Force Footwear</b></p>	✓		
<p>4. Ensure;</p> <ul style="list-style-type: none"> <li>• Public tenders are called for any procurement of goods, services or works valued at \$50,000 or more;</li> <li>• The principle of promoting open and fair competition among suppliers and contractors are maintained; and</li> <li>• Any officer(s) splitting payments to circumvent requisite approval are disciplined.</li> </ul>			
<p><b>Procurement of meals for persons in police custody</b></p>		✓	
<p>5. Ensure;</p> <ul style="list-style-type: none"> <li>• Proper procurement processes are followed by calling for tender for the supply of meals for Person(s) in Police Custody;</li> <li>• Owners, trustees and beneficiaries of the Fiji Police Officers Mess are fully disclosed and any conflict of interest in procurements made and is declared and dealt with as appropriate; and</li> <li>• Competitive quotes are obtained for all procurements less than \$50,000 as provided under Force Finance Manual 2015.</li> </ul>			

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Fiji Police Force was done 22/2/24. It is recommended that Fiji Police Force;			
<p><b>Salary allowance for Hapkido master</b></p> <p>6. Ensure;</p> <ul style="list-style-type: none"> <li>• Government procurement procedures are complied with in the procurement of services; and</li> <li>• Either a contract with the Grand Master or an MOU with the RFMF is entered into to formalize the cost-sharing arrangement on the engagement of the Hapkido Master</li> </ul>	✓		
<p><b>Other anomalies in procurement for goods and services</b></p> <p>7. Ensure;</p> <ul style="list-style-type: none"> <li>• Stipulated procurement procedures in place are adhered to at all times;</li> <li>• Proper oversight and supervisory checks are in place and properly functioning;</li> <li>• Officers releasing (approving) the LPO in the FMIS system should be the same officers physically signing the LPO; and</li> <li>• Appropriate disciplinary action should be taken against officers failing to comply with procurement regulations</li> </ul>		✓	
<p><b>Officers occupying quarters and receiving lodging allowance</b></p> <p>8. Ensure;</p> <ul style="list-style-type: none"> <li>• Officers occupying quarters inform immediate supervisors if they are receiving allowances outside their entitlement;</li> <li>• Stringent control and supervisory checks are put in place to ensure that all officers residing in quarters are not paid lodging allowance;</li> <li>• Recovery of overpaid lodging allowances commences immediately from occupants that are receiving lodging allowances; and</li> <li>• Regular inspection is carried out by the Force's Asset Management Unit to ensure officers occupying the quarters are not receiving lodging allowance.</li> </ul>	✓		

Recommendations in Report for General Administration Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Fiji Police Force was done 22/2/24. It is recommended that Fiji Police Force;			
<p><b>Police Waterpol Unit</b></p> <p>9. Ensure;</p> <ul style="list-style-type: none"> <li>• Reviewing and strengthening the WaterPol Unit establishment and the operational needs;</li> <li>• Utilizing the outboard engines kept at the stores;</li> <li>• Developing the Standard Operating Procedures to guide the WaterPol operations;</li> <li>• Reviewing the need for the type of vessel/boat required for current/future operational needs and equip it with the necessary navigational equipment for the safety of the officers and as well as to effectively deliver its service; and</li> <li>• Effectively planning the utilization of funds allocated for Police WaterPol Unit.</li> </ul>		✓	
<p><b>Police Trust Fund</b></p> <p>10. Ensure;</p> <ul style="list-style-type: none"> <li>• Liaising with MoE on reflecting the Police Band Trust Fund account in the FMIS operating fund account as receipts are derived from providing service to general public by Officers while on duty;</li> <li>• All revenue generated from the hire of band must be deposited into CFA while the expenses should be channeled through the normal budgetary process;</li> <li>• Proper accounting records are maintained; and</li> <li>• Strengthening its supervisory checks and ensure the trust and bank reconciliations are prepared on a monthly basis and all payments are effectively vetted and supported with receipts/invoice.</li> </ul>			✓
<p><b>Police Clearance Revenue Variance</b></p> <p>11. Ensure;</p> <ul style="list-style-type: none"> <li>• Regularly reconcile the Police Clearance revenue records from Criminal Records Unit with the FMIS GL balance and any variances arising should be resolved on a timely manner</li> </ul>			✓

**Ministry of Education,  
Heritage and Arts  
& Higher Education Institutions**

## 7.4 Ministry of Education, Heritage and Arts

Recommendations in Report for the Social Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Education, Heritage and Arts was done on 21/3/24. It is recommended that the Ministry;			
<b>Overpayment of Early Childhood Education (ECE) Teachers</b> 1. Ensure that; <ul style="list-style-type: none"> <li>• Further investigate this matter and consider recovering any amount overpaid to teachers and ensure that teachers are paid at correct rates.</li> </ul>	✓		
<b>Anomalies in recruitment process</b> 2. Ensure that; <ul style="list-style-type: none"> <li>• All documentation relating to the processing of vacancies are adequately maintained for transparency, accountability and audit purposes; and</li> <li>• OMRS Guidelines are followed for all appointments.</li> </ul>	✓		
<b>Variance between FMIS and Payroll report</b> 3. Ensure that; <ul style="list-style-type: none"> <li>• Reconciliations between FMIS general ledger and Payroll Report are accurately carried out and any variance noted should be investigated and adjusted accordingly.</li> </ul>	✓		
<b>Number of teachers registered with the Fiji Teacher Registration Authority (FTRA)</b> 4. Ensure that; <ul style="list-style-type: none"> <li>• There is a review of the teacher's registration process with Fiji Teacher Registration Authority;</li> <li>• A review of the information database on teachers is carried out; and</li> <li>• Records of the Ministry are reconciled with FTRA and with the number of teachers on the ground.</li> </ul>	✓		
<b>Regularization of Payroll</b> 5. Ensure that; <ul style="list-style-type: none"> <li>• Approval is obtained to utilize savings within its appropriation head before requesting for additional funds from Head 50; and</li> </ul>	✓		

Recommendations in Report for the Social Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Education, Heritage and Arts was done on 21/3/24. It is recommended that the Ministry;			
<ul style="list-style-type: none"> <li>Expenditures are accurately reflected in the financial statements</li> </ul> <p><b>Bus Fare Assistance</b></p> <p>6. Ensure that;</p> <ul style="list-style-type: none"> <li>An agreement is drawn up between Ministry and Company A for the facilitation of transport assistance scheme for school students through electronic ticketing;</li> <li>Strengthen its monitoring for all the amounts disbursed and utilized;</li> <li>Controls are put in place to ensure that accurate amounts are posted to respective allocation in the FMIS ledger; and</li> <li>All accounting records properly kept and provided for audit verification upon request</li> </ul>	✓		
<p><b>Free education grant year 1 – 8 and year 9 – 13</b></p> <p>7. Ensure that;</p> <ul style="list-style-type: none"> <li>FMIS general ledger and amounts for school grant are reconciled with amounts calculated from FEMIS; and</li> <li>Any variance noted should be investigated and adjusted accordingly.</li> </ul>	✓		
<p><b>Aid in Kind</b></p> <p>8. Ensure that;</p> <ul style="list-style-type: none"> <li>The Ministry should ensure that aid in kind received is disclosed in the Notes to the financial statements</li> </ul>	✓		
<p><b>Anomalies in accountable advance – recurring issue</b></p> <p>9. Ensure that;</p> <ul style="list-style-type: none"> <li>The Ministry should ensure that staff retire accountable advance on timely basis or effect recovery through salary deductions as stipulated in the Ministry’s Finance Manual.</li> </ul>	✓		
<p><b>Administration of free education grant (FEG) – Recurring Issue</b></p> <p>10. Ensure that;</p> <ul style="list-style-type: none"> <li>The utilisation of the grant is regularly monitored to ensure that they are utilised in accordance with the FEG Policy; and</li> </ul>	✓		

Recommendations in Report for the Social Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Education, Heritage and Arts was done on 21/3/24. It is recommended that the Ministry;			
<ul style="list-style-type: none"> <li>Approvals are obtained from Permanent Secretary for Education for utilisation of funds above the allocated percentage as stipulated in the FEG Policy.</li> </ul>			

Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Education, Heritage and Arts was done on 21/3/24. It is recommended that the Ministry;			
<p><b>Records not provided</b></p> <p>1. Ensure that;</p> <ul style="list-style-type: none"> <li>It improves supervisory checks in its accounting function and also strengthen its records management practices to ensure that documents to support expenditures are appropriately maintained.</li> </ul>	✓		
<p><b>Variance between FMIS and payroll report (Recurring Issue)</b></p> <p>2. Ensure that;</p> <ul style="list-style-type: none"> <li>It is incorporated into the Finance Manual the requirement to carry out reconciliation of weekly and fortnightly payroll report against FMIS general ledger</li> </ul>	✓		
<p><b>Collection of Government Boarding School Fees</b></p> <p>3. Ensure that;</p> <ul style="list-style-type: none"> <li>It strengthens the reconciliation process by undertaking a comprehensive analysis of the school rolls and boarding fees collected.</li> </ul>	✓		
<p><b>Ration rates for boarding schools</b></p> <p>4. Ensure that;</p> <ul style="list-style-type: none"> <li>It considers a thorough review of the ration rates for Government boarding schools to account for the current cost of consumption.</li> </ul>		✓	
<p><b>Accounting for donor fund</b></p> <p>5. Ensure that;</p>	✓		



Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Education, Heritage and Arts was done on 21/3/24. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>The requirements of the Finance Manual and any other guidelines governing the receipting and utilisation of donor funds are complied with</li> </ul>			
<p><b>Bus Fare Assistance (Recurring Issue)</b> 6. Ensure that;</p> <ul style="list-style-type: none"> <li>An agreement is drawn between Ministry and the e-ticketing service provider for the facilitation of transport assistance scheme for school students through electronic ticketing.</li> <li>Policy on Transport Assistance is reviewed and also update the SOPs to address the risks associated with the Bus Fare Assistance program through e-ticketing, amend outdated information and incorporate updated e-ticketing services application and guidelines.</li> <li>Processes are improved so that confirmation on income of parents of students applying for assistance under the program can be obtained from the Fiji Revenue and Customs Service.</li> <li>Zoning policy is strictly adhered to for bus fare assistance given to school students.</li> </ul>	✓		
<p><b>Free Education Grant (Recurring Issue)</b> 7. Ensure that;</p> <ul style="list-style-type: none"> <li>It improves the reconciliation process between the FMIS general ledger and the FEMIS records and investigate and resolve variances identified.</li> </ul>	✓		
<p><b>Administration of free education grant (FEG) – Recurring issue</b> 8. Ensure that;</p> <ul style="list-style-type: none"> <li>It regularly monitors the utilisation of the grant to ensure that they are utilised in accordance with the FEG Policy.</li> </ul>	✓		
<p><b>Anomalies in accountable advance –recurring issue</b> 9. Ensure that;</p> <ul style="list-style-type: none"> <li>Accountable advances are retired on timely basis or effect recovery through salary deductions as stipulated in the Ministry’s Finance Manual.</li> </ul>	✓		

# **Ministry of Health & Medical Services**

## 7.5 Ministry of Health &amp; Medical Services

Recommendations in Report for the Social Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;			
<b>Records not provided</b>	✓		
1. Ensure that;			
<ul style="list-style-type: none"> <li>• Records requested are provided for audit verifications.</li> </ul>			
<b>Significant payment of overtime</b>	✓		
2. Ensure that;			
<ul style="list-style-type: none"> <li>• It strengthens internal mechanisms in the allocation of personnel to Heath Centres, Nurses Stations and Divisional Hospitals with high occurrence of overtime allowance paid; and</li> </ul>			
<ul style="list-style-type: none"> <li>• Supervisory functions need to be strengthened in ensuring overtime work is properly supported.</li> </ul>			
<b>Anomalies noted in free medicine program</b>			
3. Ensure that;		✓	
<ul style="list-style-type: none"> <li>• It considers creating a policy/guide which will require the pharmacies to update the Ministry at regular intervals on the stock level of free medicine stock available at their pharmacy and stock which needs to be replenished;</li> </ul>			
<ul style="list-style-type: none"> <li>• Funds allocated for free medicine expenditure are utilised for its intended purpose;</li> </ul>			
<ul style="list-style-type: none"> <li>• An agreement is signed between the Ministry and the private pharmacies engaged in the free medicine scheme; and</li> </ul>			
<ul style="list-style-type: none"> <li>• It carries out stock take of medicines held by private pharmacies at the end of the financial year and disclose in the Notes to the financial statements the monetary value of closing stock of medicines held by private pharmacies.</li> </ul>			
<b>Anomalies in main trust fund account</b>			
4. Ensure that;	✓		
<ul style="list-style-type: none"> <li>• Funds received are banked intact daily;</li> </ul>			
<ul style="list-style-type: none"> <li>• Monthly reconciliations are prepared on a timely basis; and</li> </ul>			
<ul style="list-style-type: none"> <li>• Records requested are provided for audit verification are provided.</li> </ul>			

Recommendations in Report for the Social Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;			
<b>Significant savings in capital purchases and capital construction</b> 5. Ensure that; <ul style="list-style-type: none"> <li>• Proper planning is carried out for the implementation of its capital projects.</li> </ul>	✓		
<b>Use of global fund for purpose other than intended</b> 6. Ensure that; <ul style="list-style-type: none"> <li>• There is strengthening in the monitoring process on utilisation of funds</li> </ul>	✓		
<b>Fiji Pharmaceutical and Biomedical Services (FPBS)</b> 7. Ensure that; <ul style="list-style-type: none"> <li>• It discloses in the Notes to the financial statements the final stock balance of pharmaceuticals;</li> <li>• The Donations Register is updated regularly;</li> <li>• Cost price is recorded for stock items purchased;</li> <li>• Minimum stock levels are maintained at all times to avoid shortage of pharmaceutical supplies; and</li> <li>• It identifies more storage space to store increasing stock of pharmaceuticals.</li> </ul>		✓	
<b>Bulk purchase scheme (BPS) Trade Manufacturing Account (TMA)</b> 8. Ensure that; <ul style="list-style-type: none"> <li>• Selling prices of all items are correctly stated;</li> <li>• It investigates and rectify variances in coding and selling prices of identical items;</li> <li>• It assigns unit costs for all items sold at BPS;</li> <li>• VAT exclusive price is posted in FMIS general ledger; and</li> <li>• BPS TMA pays its own utility costs and this should be reflected in the profit and loss statement.</li> </ul>	✓		

Recommendations in Report for the Social Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;			
<b>Operating Trust fund accounts balances cleared to OPR in previous</b> 9. Ensure that; <ul style="list-style-type: none"> <li>• Amounts deducted from officer’s salaries and wages are made to relevant stakeholders; and</li> <li>• It clears the operating trust fund account in the proper manner.</li> </ul>	✓		
<b>Revenue reports</b> 10. Ensure that; <ul style="list-style-type: none"> <li>• All centres complete their revenue report;</li> <li>• It reconciles revenue reports from centres to the FMIS general ledger; and</li> <li>• It provides the necessary training to staffs on revenue recording.</li> </ul>	✓		
<b>Finalization of financial statements – recurring issue</b> 11. Ensure that; <ul style="list-style-type: none"> <li>• Documents are provided in a timely manner for audit review and financial statements are submitted by the due date.</li> </ul>	✓		
<b>Arrears of revenue – recurring issue</b> 12. Ensure that; <ul style="list-style-type: none"> <li>• It takes appropriate steps to reduce the arrears of revenue.</li> </ul>		✓	
<b>Variance between FMIS and person to post listing – recurring issue</b> 13. Ensure that; <ul style="list-style-type: none"> <li>• Variances noted are investigated and adjusted accordingly</li> </ul>		✓	
<b>Expenditure charged to wrong allocation – recurring issue</b> 14. Ensure that; <ul style="list-style-type: none"> <li>• All transactions are posted to the correct allocations in the FMIS general ledger.</li> </ul>	✓		


Recommendations in Report for the Social Services Sector - 2018		Status		
		F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;				
<b>Fixed assets register not updated – recurring issue</b>				
15.	<p>Ensure that;</p> <ul style="list-style-type: none"> <li>There is compliance with Section 46 of the Finance Instructions 2010</li> </ul>		✓	
<b>Lack of monitoring in the administration of grant – recurring issue</b>				
16.	<p>Ensure that;</p> <ul style="list-style-type: none"> <li>Audited accounts are submitted to ensure grant monies are utilised for the purpose it was given.</li> </ul>	✓		
<b>Anomalies of Sahyadri Trust Account – recurring issue</b>				
17.	<p>Ensure that;</p> <ul style="list-style-type: none"> <li>It maintains a listing of patients under the Sahyadri Trust;</li> <li>It maintains a cash book to record receipts and payments for the main trust fund account;</li> <li>It makes available receipts books, cash analysis sheets, reconciliations and payments vouchers for the financial year</li> <li>Advice on the selection of new vendors following expiry of joint venture; and</li> <li>It provides a detailed breakdown of the closing balance.</li> </ul>	✓		
<b>Purchases made without Tender Board Approval – recurring issue</b>				
18.	<p>Ensure that;</p> <ul style="list-style-type: none"> <li>Tender Board approval is sought for the procurement of goods and services valued more than \$50,000 as required under Section 2.3.1 of the Department’s Finance Manual.</li> </ul>	✓		
<b>Board of Survey report not completed – recurring issue</b>				
19.	<p>Ensure that;</p> <ul style="list-style-type: none"> <li>The Board of Survey Report for all Divisions are carried out annually in accordance with Section 49 of the Finance Instruction and Section 24 of the Procurement Regulations 2010.</li> </ul>	✓		

Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;			
<b>Variance between FMIS GL and Payroll Report (recurring issue)</b>	✓		
1. Ensure that; <ul style="list-style-type: none"> <li>• It incorporates into the Finance Manual the requirement to carry out reconciliation of weekly and fortnightly payroll report against FMIS general ledger.</li> <li>• It carries out a review of its accounting function including policies, procedure and the roles and responsibilities of all officers in the Finance Section.</li> </ul>			
<b>Other payroll Anomalies</b>	✓		
2. Ensure that; <ul style="list-style-type: none"> <li>• The accounts reconciliation process should be strengthened though improved supervision and monitoring.</li> <li>• It carries out a review of its accounting function including policies, procedure and the roles and responsibilities of all officers in the Finance Section.</li> </ul>			
<b>Significant payment of overtime (recurring issue)</b>	✓		
3. Ensure that; <ul style="list-style-type: none"> <li>• Any vacant positions that relate to X-ray and Pathology Departments are filled to minimise excessive overtime work.</li> </ul>			
<b>Significant savings in Capital Budget (recurring issue)</b>	✓		
4. Ensure that; <ul style="list-style-type: none"> <li>• It reviews the current planning process for capital projects and strengthen procurement timeliness and compliance to the procurement regulation.</li> </ul>			
<b>Absence of contract between the Ministry and Service Providers</b>	✓		
5. Ensure that; <ul style="list-style-type: none"> <li>• Contract agreements are established between the Ministry and the service providers before payments are made.</li> <li>• Fixed assets purchased are recorded in the Fixed Assets Register in accordance with Section 46 of the Finance Instructions 2010.</li> <li>• It investigates the non-delivery of operating theatre lights that have been fully paid.</li> </ul>			

Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;			
<p><b>Misallocation of revenue</b></p> <p>6. Ensure that;</p> <ul style="list-style-type: none"> <li>• Supervisory checks with the accounting function is strengthened to ensure that all transactions are posted to the correct allocations in the FMIS general ledger.</li> <li>• It carries out a review of its accounting function including policies, procedure and the roles and responsibilities of all officers in the Finance Section</li> </ul>	✓		
<p><b>Condition of Health Facilities</b></p> <p>7. Ensure that;</p> <ul style="list-style-type: none"> <li>• The Asset Management Unit should strengthen its monitoring process to ensure that the hospitals and its facilities are maintained.</li> <li>• The Asset Management Unit should strengthen its monitoring process to ensure maintenance and refurbishment works are of good quality as agreed to in the contract.</li> </ul>		✓	
<p><b>Anomalies - Cardiology Services Trust Fund Account</b></p> <p>8. Ensure that;</p> <ul style="list-style-type: none"> <li>• Supervisory function in the Accounts Section should be improved to ensure that monthly reconciliation of accounts is performed on time, transactions are correctly posted in the FMIS general ledger and proper procedures established and complied with.</li> <li>• It carries out a review of its accounting function including policies, procedure and the roles and responsibilities of all officers in the Finance Section.</li> </ul>	✓		
<p><b>Anomalies – Fiji Children’s Treatment Trust Fund Account</b></p> <p>9. Ensure that;</p> <ul style="list-style-type: none"> <li>• Supervisory function in the Accounts Section should be improved to ensure that monthly reconciliation of accounts is performed on time and requirements of the Finance Manual and complied with.</li> </ul>	✓		



Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry; <ul style="list-style-type: none"> <li>It carries out a review of its accounting function including policies, procedure and the roles and responsibilities of all officers in the Finance Section.</li> </ul>			
<p><b>Other anomalies in underline accounts</b></p> <p>10. Ensure that;</p> <ul style="list-style-type: none"> <li>Supervisory function in the Accounts Section should be improved to ensure that monthly reconciliation of accounts is performed on time and requirements of the Finance Manual and complied with.</li> <li>It carries out a review of its accounting function including policies, procedure and the roles and responsibilities of all officers in the Finance Section.</li> </ul>	✓		
<p><b>Anomalies noted in free medicine program (recurring issue)</b></p> <p>11. Ensure that;</p> <ul style="list-style-type: none"> <li>It review/reform the scheme and develop guidelines on stock management, utilisation of budget, and contract agreements with pharmacies.</li> </ul>		✓	
<p><b>Fiji Pharmaceutical and Biomedical Services (Recurring issue)</b></p> <p>12. Ensure that;</p> <ul style="list-style-type: none"> <li>It considers additional proper storage space to cater for the increasing stock of pharmaceuticals.</li> </ul>		✓	
<p><b>Bulk purchase scheme (Recurring Issue)</b></p> <p>13. Ensure that;</p> <ul style="list-style-type: none"> <li>Supervisory function in the management of the TMA should be improved to ensure that customers are charged the approved prices and that expenses are correctly posted and reflected in the accounts.</li> </ul>	✓		
<p><b>Variance in Pharmaceutical stock (recurring issue)</b></p> <p>14. Ensure that;</p> <ul style="list-style-type: none"> <li>It strengthens controls over management of Pharmaceutical Stock by regularly updating stock cards when there is movement in stock.</li> </ul>	✓		
<p><b>Fixed Assets register not updated (recurring issue)</b></p> <p>15. Ensure that;</p>		✓	

Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Health was done on 6/3/24. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>The Fixed Assets Register is maintained and updated regularly.</li> </ul> <p><b>Absence of risk management policy</b></p> <p>16. Ensure that;</p> <ul style="list-style-type: none"> <li>It formalizes the risk management policy and develop its disaster recovery plan and fraud risk policy.</li> </ul>			

# **Ministry of Women, Children and Poverty Alleviation**

## 7.6 Ministry of Women, Children and Poverty Alleviation

Recommendations in Report for the Social Services Sector - 2018		Status		
		F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Women, Children and Poverty Alleviation was done on 8/3/24. It is recommended that the Ministry;				
<b>Variance between General ledger and Banking Summary</b>				
1. Ensure that;	<ul style="list-style-type: none"> <li>It considers reconciling the banking summary to the FMIS GL on a timely basis</li> </ul>	✓		
<b>Finalization of the financial statements – recurring issue</b>				
2. Ensure that;	<ul style="list-style-type: none"> <li>Accurate financial statement is submitted for audit and records are properly maintained and made available for audit upon request.</li> </ul>	✓		

Recommendations in Report for the Social Services Sector - 2019		Status		
		F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Women, Children and Poverty Alleviation was done on 8/3/24. It is recommended that the Ministry;				
<b>Variance in scheme allocation</b>				
1. Ensure that;	<ul style="list-style-type: none"> <li>It performs monthly reconciliation of Social Welfare Pay-outs Report against the FMIS general ledger; and</li> <li>It strengthens internal controls on bank pay-outs such as segregation and rotation of duties in the loading of bank files and performance of reconciliations.</li> </ul>	✓		
<b>Payroll variance between FMIS General Ledger and Payroll report</b>				
2. Ensure that;	<ul style="list-style-type: none"> <li>It incorporates into the Finance Manual the requirement to carry out reconciliation of weekly and fortnightly payroll report against FMIS general ledger.</li> </ul>		✓	

Recommendations in Report for the Social Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Women, Children and Poverty Alleviation was done on 8/3/24. It is recommended that the Ministry;			
<p><b>Significant number of vacant positions</b></p> <p>3. Ensure that;</p> <ul style="list-style-type: none"> <li>• The Corporate Services Section should be adequately resourced to carry out the recruitment process for the Ministry.</li> </ul>	✓		
<p><b>Anomalies in revolving fund account (RFA)</b></p> <p>4. Ensure that;</p> <ul style="list-style-type: none"> <li>• Accurate and proper reconciliations are prepared on a monthly basis and supervised by Accounting Heads;</li> <li>• Outstanding accountable advances is reconciled and the debtors listing to be updated monthly; and</li> <li>• Accountable advance register and records are properly maintained for reconciliation purposes.</li> </ul>			✓
<p><b>Non-compliance with internal controls on procurement and payments (recurring issue)</b></p> <p>5. Ensure that;</p> <ul style="list-style-type: none"> <li>• It strengthens compliance with internal controls over procurement of goods and services.</li> </ul>	✓		

# Ministry of Agriculture

## 7.7 Ministry of Agriculture

Recommendations in Report for Economic Services Sector - 2018	Status		
Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;	F/IMP	P/IMP	N/IMP
<p><b>Anomalies in payroll reconciliation</b></p> <ol style="list-style-type: none"> <li>1. Should ensure <ul style="list-style-type: none"> <li>• that salary reconciliations are prepared on a timely basis, properly checked and verified by the supervising officer</li> <li>• All correspondences related to salary payments and employee records are filled and updated on a regular basis</li> <li>• Supervisory checks are strengthened at the Salaries and HR section to ensure all payroll checks and verifications are carried out in a timely manner</li> <li>• Should consider providing refresher training on conducting salary and wages reconciliations</li> </ul> </li> </ol> <p><b>Authenticity of quotation obtained</b></p> <ol style="list-style-type: none"> <li>2. Should <ul style="list-style-type: none"> <li>• Strengthen the internal control around procurement of goods and services</li> <li>• Strengthen supervisory checks and due diligence in areas of procurement</li> <li>• Consider rotating officers involved in procurement of goods and services</li> <li>• Conduct internal investigation into the procurement procedures</li> <li>• Conduct procurement fraud awareness among the officers responsible for procurement of goods and services</li> </ul> </li> </ol> <p><b>Procurements not properly authorized</b></p> <ol style="list-style-type: none"> <li>3. Should <ul style="list-style-type: none"> <li>• Strengthen the internal control around procurement of goods and services</li> <li>• Strengthen supervisory checks and due in areas of procurement</li> <li>• Consider rotating officers involved in procurement of goods and services</li> <li>• Conduct internal investigation into the procurement procedures</li> <li>• Conduct procurement fraud awareness among the officers responsible for procurement of goods and services.</li> </ul> </li> </ol> <p><b>Payments made on photocopied services</b></p> <ol style="list-style-type: none"> <li>4. Should <ul style="list-style-type: none"> <li>• Ensure that all payments are processed on original copies of invoices and the use of photocopier/scanned invoices should cease immediately</li> </ul> </li> </ol>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		

Recommendations in Report for Economic Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;			
<ul style="list-style-type: none"> <li>Investigate the use of photocopied invoices to make payments and take appropriate actions</li> </ul>			
<b>Absence of delivery docket</b>			
5. Should	✓		
<ul style="list-style-type: none"> <li>Ensure that delivery dockets are attached and items received in full before the full payment is done</li> </ul>			
<ul style="list-style-type: none"> <li>Seek prior approval from the Ministry of Economy for all advance payments made</li> </ul>			
<ul style="list-style-type: none"> <li>Should fully investigate discrepancies in deliveries and necessary action taken against responsible officers</li> </ul>			
<b>Retention monies not kept in trust</b>			
6. Should	✓		
<ul style="list-style-type: none"> <li>Ensure that all retention monies are kept in trust</li> </ul>			
<ul style="list-style-type: none"> <li>Ensure proper schedules or records of retention monies be maintained</li> </ul>			
<b>Charging of expenditures to incorrect allocations</b>			
7. Should	✓		
<ul style="list-style-type: none"> <li>Ensure that proper cash flow forecasts are done to ensure that funds are available when required</li> </ul>			
<ul style="list-style-type: none"> <li>Ensure that proper procedures are followed at all times when faced with cash flow issues or insufficient budgetary allocations by way of an approved cash flow adjustments or virements.</li> </ul>			
<b>Delay in progress of rehabilitation and construction projects of Nanukuloa and Doboilevu Research Stations</b>			
8. Should	✓		
<ul style="list-style-type: none"> <li>Explore options available or seek legal opinion under the contract to claim for liquidated damages on both these projects</li> </ul>			
<ul style="list-style-type: none"> <li>Assign a clerk of work to the site for all capital works carried out for monitoring and ensuring that he approved timelines set by the Government Tender Board are met.</li> </ul>			
<ul style="list-style-type: none"> <li>Liaise with CIU to provide justification for the extension of time</li> </ul>			
<b>Payment anomalies in land preparation facility projects</b>			
9. Should	✓		
<ul style="list-style-type: none"> <li>Ensure that policies awareness is done and officers are reminded of the importance of complying with the policies in place and- the consequences of non-compliance</li> </ul>			
<ul style="list-style-type: none"> <li>Ensure supervisory checks to be strengthened and those processing the payments to be more vigilant in their duties</li> </ul>			



Recommendations in Report for Economic Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>• Ensure that officers not complying with the policies are dealt with accordingly</li> <li>• Assess the impact and sustainability assessment of its assistance program is done to gauge its assistance program effectiveness, suitability and impact sustainability.</li> </ul>	✓		
<p><b>Failed land preparation facility projects</b></p> <p>10. Should</p> <ul style="list-style-type: none"> <li>• Ensure proper assessments are carried out and if possible an undertaking is signed by both parties to ensure that the funds utilized are put to good use</li> <li>• Assess the impact and sustainability assessment of its assistance program is done to gauge its assistance program effectiveness, suitability and impact sustainability.</li> <li>• Strengthen monitoring to promptly gauge the progress of projects</li> <li>• Ensure officers strictly comply with policies and procedures in place.</li> </ul>	✓		
<p><b>Anomalies in the TMA Stock take process</b></p> <p>11. Should</p> <ul style="list-style-type: none"> <li>• Ensure that all stock take logistics are properly organized before the exercise is undertaken</li> <li>• Ensure that proper inventory records are maintained and stock cards are updated on a regular basis</li> <li>• Consider conducting monthly stock take to avoid such variances arising at financial year</li> </ul>	✓		
<p><b>Absence of vendor approvals for Farm Care Programme</b></p> <p>12. Should</p> <ul style="list-style-type: none"> <li>• Ensure that proper records and documents to support financial transactions are maintained</li> </ul>	✓		
<p><b>Outstanding refund of farm care fund balance from Vodafone Fiji Ltd</b></p> <p>13. The Principal Accountant</p> <ul style="list-style-type: none"> <li>• Should ensure that the card balances held by Vodafone is refunded at the earliest</li> </ul>	✓		

Recommendations in Report for Economic Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;			
<p><b>Poor implementation of demand driven approach projects</b></p> <p>1. Ensure that;</p> <ul style="list-style-type: none"> <li>• Vacant positions are filled so that approved projects are completed on time and desired objectives are achieved.</li> </ul>	✓		
<p><b>Effectiveness of the project monitoring and evaluation function</b></p> <p>2. Ensure that;</p> <ul style="list-style-type: none"> <li>• It assesses its various grants and capital programmes to gauge its effectiveness, suitability, impact and sustainability.</li> <li>• Supervision of the monitoring and oversight function should be strengthened to ensure that the Monitoring and Evaluation Unit is able to carry out its work as required.</li> <li>• It should relook at its Monitoring and Evaluation Unit and determine the need to strengthen it and place more emphasis on its critical role.</li> <li>• The Executive Management should introduce a culture of monitoring whereby the responsible officers are required to present monitoring and impact assessment reports on a quarterly basis.</li> </ul>	✓		
<p><b>Delay in implementation of rural and outer island (ROI) capital projects</b></p> <p>3. Ensure that;</p> <ul style="list-style-type: none"> <li>• It prepares an undertaking with the farmer in the form of Memorandum of Understanding to specify the timelines for project implementation;</li> <li>• It carryout due diligence checks and proper assessments of the projects before they are approved; and</li> <li>• It strengthens capital projects monitoring and evaluation.</li> </ul>	✓		
<p><b>Short delivery of materials – Livestock development project</b></p> <p>4. Ensure that;</p> <ul style="list-style-type: none"> <li>• It fully investigates the discrepancies highlighted in deliveries and take necessary action against the responsible officers;</li> <li>• It strengthens capital projects monitoring and supervisory checks; and</li> </ul>	✓		

Recommendations in Report for Economic Services Sector - 2019	Status		
Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;	F/IMP	P/IMP	N/IMP
<ul style="list-style-type: none"> <li>It conducts procurement fraud awareness and refresher trainings on the government procurement process to all technical staff.</li> </ul>			
<p><b>Advance payment approval not obtained</b></p> <p>5. Ensure that;</p> <ul style="list-style-type: none"> <li>Necessary approval is obtained from the Ministry of Economy before any advance payment is made; and</li> <li>It conducts refresher training or awareness for its officers to ensure they comply with the established policies and procedures pertaining to procurements.</li> </ul>	✓		
<p><b>Delivery docket anomalies</b></p> <p>6. Ensure that;</p> <ul style="list-style-type: none"> <li>It investigates the discrepancies in deliveries and take necessary action against the responsible officers;</li> <li>It strengthens capital projects monitoring and supervisory checks; and</li> <li>It conducts procurement fraud awareness, ethics and refresher trainings on the government procurement process to all its technical staff.</li> </ul>	✓		
<p><b>Absence of standard design for sheds, stock yards and farmhouse</b></p> <p>7. Ensure that;</p> <ul style="list-style-type: none"> <li>It prepares and implement standard plan and material listing to be used for general construction works such as construction of sheds, stock yards and farmhouse</li> </ul>	✓		
<p><b>Excessive materials supplied for piggery shed construction projects</b></p> <p>8. Ensure that;</p> <ul style="list-style-type: none"> <li>Carryout due diligence checks and proper assessments of the projects before they are approved;</li> <li>It strengthens capital projects monitoring and evaluation; and</li> <li>It prepares and implement standard plan and material listing to be used for such project.</li> </ul>	✓		

Recommendations in Report for Economic Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;			
<b>Delay in implementation of Agro Input Subsidy programme</b> 9. Ensure that; <ul style="list-style-type: none"> <li>• It properly plans the implementation of the agro input subsidy programme to ensure that the objective of the programme is fully materialized during the financial year in which funds are allocated.</li> </ul>	✓		
<b>Anomalies in procurement of ginger seeds</b> 10. Ensure that; <ul style="list-style-type: none"> <li>• It strengthens the internal controls around procurement of seedlings</li> <li>• It takes heed of the agriculture crop seasons and accordingly plan the procurements so that adherence to the procurement regulations and processes are not compromised.</li> </ul>	✓		
<b>Livestock rehabilitation programme (Embryo Transfer Services)</b> 11. Ensure that; <ul style="list-style-type: none"> <li>• It develops a policy to guide government funding into the TMA either through cash or in kind to ensure it is properly accounted for in the Trading and Manufacturing account; and</li> <li>• It provides refresher training and create a working environment that encourages continuous self-learning to ensure the Ministry's officers possess the right financial knowledge.</li> </ul>	✓		
<b>Measurement of TMA Biological Assets</b> 12. Ensure that; <ul style="list-style-type: none"> <li>• It develops a policy to standardize the measurement of its inventory of cattle and pigs in line with the accounting of biological assets using the fair value less cost to sell.</li> </ul>	✓		
<b>Inappropriate use of miscellaneous revenue allocation</b> 13. Ensure that; <ul style="list-style-type: none"> <li>• It ceases the inappropriate use of the miscellaneous revenue allocations to post all different type of revenues.</li> </ul>	✓		

Recommendations in Report for Economic Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Agriculture was done on 29/09/2023. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>• It cautions the cashiers and revenue collectors to be more vigilant with their work and any non-compliance should warrant disciplinary action.</li> <li>• It strengthens supervisory checks.</li> <li>• It strictly complies with the timelines given by the Ministry of Economy for closing of accounts processes and procedures.</li> </ul> <p><b>Control weaknesses over the receipting process</b></p> <p>14. Ensure that;</p> <ul style="list-style-type: none"> <li>• The supervisory checks are strengthened to ensure that all the bank lodgment forms are checked and signed by the accounts supervisors both before and after the lodgment.</li> <li>• Appropriate action is instigated against the A/ AAO Revenue for failing to update the revenue collectors' chart.</li> <li>• Separate receipt books shall be used for receipting CFA and TMA revenues.</li> <li>• Banking of money should be done on a daily basis.</li> </ul>	✓		

# **Ministry of Infrastructure and Transport**

## 7.8 Ministry of Infrastructure and Transport

Recommendations in Report for the Infrastructure Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;			
<b>Lack of records maintained for loan recorded for Head 41 and Head 43</b> 1. Ensure that; <ul style="list-style-type: none"> <li>Should liaise with the Ministry of Economy and obtain supporting documents for loan recorded on Head 41 and Head 43 for Ministry's records.</li> </ul>	✓		
<b>Missing TMA Expenditure records – Western Division</b> 2. Ensure that; <ul style="list-style-type: none"> <li>Makes an effort to locate supporting documents for this account and ensure that all supporting's document are filed with the journal voucher.</li> <li>Relevant staff needs to be reminded of his/her duties and appropriate disciplinary actions taken for non-performance of the assigned task.</li> </ul>	✓		
<b>Drawings Account Reconciliations not performed in a timely manner</b> 3. Ensure that; <ul style="list-style-type: none"> <li>Responsible staffs should be reminded of their duties and appropriate disciplinary actions taken for non-performance of the assigned task in a timely manner</li> </ul>	✓		
<b>Poor recording keeping of virements</b> 4. Ensure that; <ul style="list-style-type: none"> <li>Responsible staff needs to be reminded of their duties and appropriate disciplinary actions taken for non-performance of the assigned task.</li> </ul>	✓		
<b>Absence of Disaster Recovery Plan</b> 5. Ensure that; <ul style="list-style-type: none"> <li>It should work towards establishing a Disaster Recovery Plan.</li> </ul>		✓	
<b>Disposal of serviced engine oil from Bua Government Stations Generators</b> 6. Ensure that;	✓		

Recommendations in Report for the Infrastructure Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>It consults the Ministry of Environment and dispose off the serviced oil in a manner that does not have negatively impact the environment.</li> </ul> <p><b>Wastage of donated items</b></p> <p>7. Ensure that;</p> <ul style="list-style-type: none"> <li>It should utilize the materials on government projects to avoid wastage of donated resources.</li> </ul> <p><b>Operating Fund receipt deposited in main trust Fund account</b></p> <p>8. Ensure that;</p> <ul style="list-style-type: none"> <li>Responsible staff needs to be reminded of their duties and appropriate disciplinary actions taken for not following proper recording procedures.</li> <li>The Supervising Officer should ensure that all financial information are correctly recorded in the general ledger account.</li> </ul> <p><b>Main Trust Fund reconciliation not performed monthly</b></p> <p>9. Ensure that;</p> <ul style="list-style-type: none"> <li>Responsible staff should be reminded of their duties and appropriate disciplinary actions taken for non-performance of the assigned task.</li> </ul> <p><b>Anomalies in Energy Main Trust</b></p> <p>10. Ensure that;</p> <ul style="list-style-type: none"> <li>Responsible staff needs should be reminded of their duties and appropriate disciplinary actions taken for non-performance of the assigned task.</li> </ul> <p><b>Pending Rural Electrification Project – 2013 REU Northern Project</b></p> <p>11. Ensure that;</p> <ul style="list-style-type: none"> <li>Proper consultation with landowners are undertaken well before projects are commenced.</li> <li>It reviews the current process for due diligence in place before committing to a project and ensure that all aspects are covered.</li> </ul>	<p>F/IMP</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>P/IMP</p>	<p>N/IMP</p>



Recommendations in Report for the Infrastructure Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;</p>			
<p><b>Delay in connection of house wiring to the grid lines – northern</b></p>	✓		
<p>12. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper consultation and follow up are made with the contractors to complete the work in a timely manner.</li> <li>• It assesses the efficiency and effectiveness of processes involved in carrying out all rural electrification projects.</li> </ul>			
<p><b>Households with both Solar Home Systems and EFL Grid – Northern</b></p>	✓		
<p>13. Ensure that;</p> <ul style="list-style-type: none"> <li>• Those areas connected to the EFL power lines are not supplied with solar home system.</li> <li>• It assesses the efficiency and effectiveness of processes involved in carrying out all rural electrification projects to ensure that the unprivileged also have access to electricity.</li> </ul>			
<p><b>Prolonged energy project since 2013 – Western Division</b></p>	✓		
<p>14. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper consultation and follow up are made with EFL to complete the work in a timely manner.</li> <li>• It assesses the efficiency and effectiveness of processes involved in carrying out all rural electrification projects.</li> </ul>			
<p><b>Pending rural electrification project – 2013 western REU project</b></p>	✓		
<p>15. Ensure that;</p> <ul style="list-style-type: none"> <li>• It takes proactive measures to complete the pending projects.</li> </ul>			
<p><b>Inability to complete the carryover project due to damages sustained</b></p>	✓		
<p>16. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper due diligence is carried out in the assessment of projects selected for implementation.</li> </ul>			
<p><b>Stop notice for the implementation of the REU Project at Natadola – Western</b></p>	✓		
<p>17. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper consultation with landowners are undertaken well before project is commenced.</li> </ul>			

Recommendations in Report for the Infrastructure Services Sector - 2018	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>• Proper due diligence is carried out in delivery of the contract in future.</li> <li>• Appropriate disciplinary actions should be taken for the lack of due diligence by responsible staffs.</li> </ul> <p><b>Incomplete REU project due to damage infrastructure – western</b> 18. Ensure that;</p> <ul style="list-style-type: none"> <li>• It takes proactive measures to complete the projects</li> </ul> <p><b>Incomplete work – central</b> 19. Ensure that;</p> <ul style="list-style-type: none"> <li>• Responsible staffs should be reminded of their duties and appropriate disciplinary actions taken against those responsible for providing misleading progress reports;</li> <li>• It makes an effort to complete the capital works as soon as possible.</li> </ul> <p><b>Prolonged delay in the construction of Old Peoples Home Labasa</b> 20. Ensure that;</p> <ul style="list-style-type: none"> <li>• It assesses the efficiency and effectiveness of processes involved in carrying out TMA jobs.</li> <li>• It makes an effort to complete the job as soon as possible.</li> </ul>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>		

Recommendations in Report for the Infrastructure Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;			
<p><b>Variations between TMA Building cash book and Ban Reconciliation – DECE</b></p> <p>1. Ensure that;</p> <ul style="list-style-type: none"> <li>• It reviews functions around cash and bank reconciliation are strengthened;</li> <li>• Cash book is properly reconciled to bank reconciliation statements and to general ledger;</li> <li>• Signed copies of the monthly bank reconciliations are filed and securely kept at the Divisions as well at the Headquarters; and</li> <li>• Variance of \$905,624 is investigated and rectified.</li> </ul>		✓	
<p><b>Anomalies in Energy Trust Fund Account</b></p> <p>2. Ensure that;</p> <ul style="list-style-type: none"> <li>• Monthly reconciliation of each component under the Energy Trust Fund Accounts is performed against the FMIS general ledger;</li> <li>• Accounts Sections is well resourced to perform accounting and financial reporting functions; and</li> <li>• It identifies all the beneficiaries of the trust fund and reconcile their record against the general ledger (FMIS) balance.</li> </ul>	✓		
<p><b>Non implementation of projects</b></p> <p>3. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper planning is carried out to avoid the non-implementation of development projects which are funded through the budgetary process.</li> </ul>	✓		
<p><b>Golden Age Home project – Western Division</b></p> <p>4. Ensure that;</p> <ul style="list-style-type: none"> <li>• It makes an effort to complete the required c works as soon as possible;</li> <li>• Proper planning is done for future projects of similar nature to ensure that the projects meet the needs of the intended beneficiaries; and</li> </ul>	✓		

Recommendations in Report for the Infrastructure Services Sector - 2019	Status		
	F/IMP	P/IMP	N/IMP
<p>Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;</p> <ul style="list-style-type: none"> <li>• Responsible staffs should be reminded of their duties and appropriate disciplinary actions taken against those responsible for providing misleading progress reports.</li> </ul> <p><b>Prolonged energy project</b> 5. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper consultations and follow up action is taken Energy Fiji Limited to complete the pending projects in a timely manner; and</li> <li>• It re-assess and improve the efficiency and effectiveness of processes involved in carrying out all rural electrification projects.</li> </ul> <p><b>Pending Rural electrification grid connection since 2013 – Northern</b> 6. Ensure that;</p> <ul style="list-style-type: none"> <li>• Proper consultation is done with landowners prior to commencement of projects; and</li> <li>• Due diligence processes in place are completed before committing to a project.</li> </ul> <p><b>Anomalies in reporting of Trade and Manufacturing Account (TMA's)</b> 7. Ensure that;</p> <ul style="list-style-type: none"> <li>• Adequate disclosures are made in the financial statements for the users of the financial statements to make informed decisions.</li> </ul> <p><b>Head 41 – Water Authority of Fiji</b> 8. Ensure that;</p> <ul style="list-style-type: none"> <li>• Water Authority of Fiji to locate the documents relating to the payment of retention deposit monies from the contractors and funds which were retained from the contractors</li> </ul> <p><b>Board of Survey not conducted for Transport and Water Department</b> 9. Ensure that;</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p>	

Recommendations in Report for the Infrastructure Services Sector - 2019	Status		
Follow up for the recommendations of the Ministry of Infrastructure and Transport was done on 22/2/24. It is recommended that the Ministry;	F/IMP	P/IMP	N/IMP
<ul style="list-style-type: none"> <li>A Board of Survey is carried out for all the Department/Sections within the Ministry.</li> </ul>			

## 7.9 Ministries Responses on Issues Not Implemented

Ministry	Issue	Status	Ministry Response
<b>Audit Report on General Administration Sector 2018</b>			
Ministry of Rural and Maritime Development	Rural Housing Assistance Program	Not Implemented	Rural Housing Programme was transferred to Ministry of Housing and Community Development in the 2018-2019 budget and revert this FY 2023-2024
<i>Responses for Ministry of Rural and Maritime Development received on 4/4/24</i>			
Fiji Police Force	Variance in Revenue Records	Not Implemented	In FMIS, all receipts issued from 1 <sup>st</sup> August till 31 <sup>st</sup> July are entered. Assurance is made that all receipt issued on 31 <sup>st</sup> July is banked the same day and the receipts are forwarded to HQ for processing. In the case of CRO records, the applications are recorded in the inward registers as and when it is received. There are cases whereby applications are emailed and later it is dispatched. Therefor entries are made to the registers for all applications received and is not limited to the financial year dates. The Fiji Police Force has carried out revenue reconciliations, however, a thorough reconciliation was not carried out. FPF will be enforcing a detailed revenue reconciliation for the current financial period, that is, receipts entered in FMIS will be reconciled with the data from CRO.
	Police Trust Fund	Not Implemented	As recommended by OAG, the band fund balance was reflected in the miscellaneous revenue allocation in 2020. In Financial Year 2020, the balance from the band amounting to \$120,000 was paid to revenue allocation
	Significant Outstanding Operating Trust Fund Balance	Not Implemented	FPF has already send the letter to Police Welfare and Police Credit Union for confirmation of any outstanding payment. As per the reconciliations, FPF does not owe any funds to the above two bodies. These accounts will be journalized to equity allocation after confirmation is received. In regards to VAT for the FPF, there is no dues therefore the allocation will be journalized after necessary approvals are obtained. The other two allocations are FNPF and Improved Forestry. Improved Forestry allocation is used for maintaining the retention payments. As for the FNPF, the FPF does not have any outstanding dues to clear however we are yet to obtain the confirmation.
<i>Responses for Fiji Police Force on 22/4/24</i>			
<b>Audit Report on General Administration Sector 2019</b>			
Fiji Police Force	Police Trust Fund	Not Implemented	As recommended by OAG, the band fund balance was reflected in the miscellaneous revenue allocation in 2020. In Financial Year 2020, the balance from the band

Ministry	Issue	Status	Ministry Response
	Police Clearance Revenue Variance	Not Implemented	<p>amounting to \$120,000 was paid to revenue allocation</p> <p>FPF has already send the letter to Police Welfare and Police Credit Union for confirmation of any outstanding payment. As per the reconciliations, FPF does not owe any funds to the above two bodies. These accounts will be journalized to equity allocation after confirmation is received. In regards to VAT for the FPF, there is no dues therefore the allocation will be journalized after necessary approvals are obtained. The other two allocations are FNPF and Improved Forestry. Improved Forestry allocation is used for maintaining the retention payments. As for the FNPF, the FPF does not have any outstanding dues to clear however we are yet to obtain the confirmation.</p>
<i>Responses for Fiji Police Force received on 22/4/24</i>			

## Appendix B: OAG Follow-up Audit Guidelines



OFFICE *of the* AUDITOR GENERAL  
Republic of Fiji



# OAG Follow Up Audit Guidelines

(March 2018)

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## 1.0 INTRODUCTION

### 1.1 Purpose

The purpose of this guideline is to provide direction to staff of OAG when monitoring and determining if management of the auditees have taken appropriate and timely action on reported recommendations and audit findings. Audit groups should use this guideline for conducting follow up audits, use professional judgement in its application, and be prepared to justify any departure and seek additional guidance if considered necessary.

### 1.2 Applicable Standards

- ISSAI 10: The Mexico Declaration on SAI Independence
- ISSAI 12: The Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens
- ISSAI 20: Principles of Transparency and Accountability
- ISSAI 300: Fundamental Principles of Performance Auditing
- ISSAI 3000: Standards and Guidelines for Performance Auditing Based on INTOSAI's Auditing Standards and Practical Experience
- ISSAI 3100: Performance Audit Guidelines – Key Principles
- ISSAI 3200: Guidelines for the Performance Auditing Process

### 1.3 ISSAI Requirements

- 1.3.1 SSAI 10 enforces the significance of follow-up mechanism for Supreme Audit Institutions (SAIs). SAIs are required to “have their own internal follow-up system to ensure that the audited entities properly address their observations and recommendations as well as those made by the Legislature, one of its commissions, or the auditee’s governing board, as appropriate.”
- 1.3.2 SAIs are also required to “submit their follow-up reports to the Legislature, one of its commissions, or the auditee’s governing board, as appropriate, for consideration and action, even when SAIs have their own statutory power for follow-up and sanctions” (INTOSAI ISSAI 10, 2007:6).

### 1.4 Objective of Follow up Audits by OAG

- 1.4.1 Follow-up audits are carried out to ascertain whether appropriate and timely corrective action has been taken to implement Management’s action plans, and to advise Parliament on the progress of these issues.
- 1.4.2 The follow-up process is important in ensuring that the role of OAG in adding value to the auditees is achieved. Unless management of the auditees implements the action plans agreed to with the OAG, the deficiencies or inefficiencies identified will continue to exist and impact on the area.

## 2.0 FOLLOW-UP PROCEDURES

### 2.1 Focus of Follow-up Audits

2.1.1 Follow-up auditing is not restricted to the implementation of recommendations. It focuses on whether the audited entity has adequately addressed the problems raised in the audit report, and the underlying situation after a reasonable period of time.

2.1.2 When conducting follow-up of an audit report, the auditor should concentrate on findings and recommendations that are still relevant at the time of the follow-up and adopt an unbiased and independent approach. The follow-up process is mainly implemented to monitor the results of an audit and ensure that responsive action plans have been effectively implemented by the auditee.

### 2.2 Primary Objectives for Follow-up Auditing:

2.2.1 The two main objectives of follow-up auditing are as follows:

- Was the recommendation implemented as per the action plan submitted by management?
- Did the recommendation and plan of action result in the intended effect of mitigating the risk that had necessitated the recommendation in the first place?

2.2.2 It is important for both the SAI and the audited entity to know the extent to which corrective action has taken place to resolve previously reported issues.

### 2.3 Planning of Follow-up Audits

2.3.1 In the initial planning of a follow-up, the audit team should consider the following critical questions:

- **Timeliness:** Is the time appropriate for the follow-up process (has the audited entity had enough time to address the issues and take subsequent actions after they were reported)?
- **Scope:** Should the follow-up audit address only the implementation of the recommendations?
- **Evolution of the problems:** Does the initial problem or issue identified evolve with time?
- **Extent of the risks:** What is the extent of the risk associated with issues raised in the original report?

2.3.2 Audit teams must bear in mind that the focus of the follow-up should be to determine the progress achieved in resolving the issues originally identified.

2.3.3 It is important to note that issues may evolve with time, and focusing strictly on recommendations may miss a new concern, just because the recommendations may not

be fully relevant to new circumstances or the evolution of the issue. So audit teams should consider the evolution of the issues appropriately and on a timely basis.

## **2.4 Status of Action taken by Audited Entity (Management's Proposed Actions)**

2.4.1 Audit teams should discuss with management of the auditees on the proposed actions to address reported recommendations and audit comments. These proposed actions should be provided to the team and should be recorded as a management response in the final report with a committed implementation and/or action date. The follow-up process may begin with a request to the entity for an update on the status of the action taken to implement the recommendations from prior years' audits. The request may include the following questions:

- What steps have the entities taken to achieve the needed improvements?
- How well are entities progressing in those efforts?

## **2.5 Form of Follow-up Responses**

2.5.1 The audit team is required to receive follow-up responses from management in writing, as this helps to reinforce and confirm management responsibility for follow-up action and progress achieved. Written responses ensure an accurate record of actions, responsibilities and current status.

2.5.2 Audit teams should request and/or receive periodic updates from management responsible for implementing agreed-on actions to evaluate the progress management has made, particularly in relation to high-risk issues and corrective actions with long lead times.

## **3.0 AREAS TO BE COVERED FOR FOLLOW-UP**

### **3.1 Procedures for Follow-up Activities**

3.1.1 Procedures for follow-up activities should be established and should include:

- The recording of a time frame within which management should respond to agreed-on recommendations.
- An evaluation of management's response.
- A verification of the response, if appropriate
- Follow-up work, if appropriate.
- A communication procedure that escalates outstanding and unsatisfactory responses and/or actions to the appropriate levels of management and to those charged with governance.
- A process for obtaining management's assumption of associated risk, in the event that corrective action is delayed or not proposed to be implemented.

3.1.2 An automated tracking system or database should be maintained for carrying out follow-up activities.

3.1.3 Factors that should be considered in determining appropriate follow-up procedures are:

- The importance and impact of the findings and recommendations
- Any changes in the client's environment that may affect the importance and impact of the findings and recommendations
- The complexity of correcting the reported situation
- The time, cost and effort needed to correct the reported situation
- The effect if correcting the reported situation should fail

### **3.2 Responsibility for Follow-up Procedures**

3.2.1 Responsibility for follow-up actions, reporting and escalation rests with Directors of Audit and the Audit Managers.

3.2.2 Clearance of an outstanding issue can only be made by a Director of Audit. An issue can only be cleared when Management response confirms that the action plan has been implemented or provides adequate/sufficient information evidencing that the issue is redundant. A template for clearance of issues is attached in Appendix 1.

3.2.3 The form for clearance of audit issues should be completed, supported by relevant supporting evidence and submitted with the recommendation of the Audit Manager for approval by Director of Audit.

### **3.3 Timing and Scheduling of Follow-up Activities**

3.3.1 The OAG shall carry out follow-up audits at least annually.

3.3.2 A follow-up should be conducted no later than two years after the completion of an audit. However, some audits may need to be followed up sooner than others, due to the significance and nature of the issues raised in the original report.

3.3.3 The timing of the follow-up activities should take into account the significance of the reported findings and the effect if corrective actions are not taken. The timing of follow-up activities in relation to the original reporting is a matter of professional judgement dependent on a number of considerations, such as the nature or magnitude of associated risk and costs to the auditee.

3.3.4 Agreed-on outcomes relating to high-risk issues should be followed up soon after the due date for action and may be monitored progressively.

3.3.5 The implementation of all the management responses may be followed up on a regular basis (e.g., each quarter) for different audit engagements together, even though the implementation dates committed to by management may be different. Another approach is to follow up individual management responses according to the due date agreed on with management.

### **3.4 Nature and Extent of Follow-up Activities**

- 3.4.1 The auditee will need to be given a time frame within which to respond with details of actions taken to implement recommendations.
- 3.4.2 Management's response detailing the actions taken should be evaluated, if possible, by the audit team who performed the original audit. Wherever possible, audit evidence of action taken should be obtained.
- 3.4.3 Where management provides information on actions taken, appropriate testing or other audit procedures should be undertaken to confirm the true position or status prior to concluding further follow-up activities.
- 3.4.4 As a part of the follow-up activities, audit teams should evaluate whether unimplemented recommendations are still relevant or have a greater significance. The team may decide that the implementation of a particular recommendation is no longer appropriate. This could occur where application systems have changed, where compensating controls have been implemented or where business objectives or priorities have changed in such a way as to effectively remove or significantly reduce the original risk. In the same way, a change in the client's environment may increase the significance of the effect of a previous observation and the need for its resolution.
- 3.4.5 The audit team's opinion on unsatisfactory management responses or action should be communicated to the appropriate level of management.

### **3.5 Follow-up Activities in Audit Groups Work Plans**

- 3.5.1 Audit Managers are responsible for scheduling follow-up activities as part of developing audit work schedules. The scheduling of follow-ups should be based on the risk and exposure involved, as well as the degree of difficulty and time needed in implementing corrective actions. A Follow-up Register can be maintained by the teams for clients under their portfolios.
- 3.5.2 There may also be instances where the Director of Audit judges that management's written response shows that action already taken is sufficient when weighed against the relative importance of the audit observation or recommendation. On such occasions, actual follow-up verification activities may be performed as part of the next audit that deals with the relevant system or issue.

## **4.0 ASSESSMENT OF MANAGEMENT'S ACTION PLAN**

Reporting on follow-up conclusions is of vital importance. Audit teams must endeavor to provide a complete and clear view of the post-audit situations. The readers of the reports should not meet with any vague overall considerations. An assessment criterion is provided in the table below:

**Table 1: Assessing Managements Action Plan**

Scale	Result	Justification
0	<b>Non Applicability</b>	Here the auditors indicate “Non-applicability” where the recommendation is obsolete or no longer applicable due to time lapses, new policies, etc.
1	<b>No Progress/ Insignificant Progress</b>	In this case, the main response of the audited entity to the follow-up is just restricted to generating some informal plans.  Therefore the audit team’s Director may qualify their opinion as “No Progress” or “Insignificant Progress”.
2	<b>Preliminary Progress</b>	Here the auditors observe that the formal plans for organizational changes have been created and approved by the appropriate level of management, with appropriate resources and a reasonable timetable. <i>(Planning stage)</i>  In the follow-up report the audit team’s Director may conclude that the audited entity has some “Preliminary Progress” within the concept of addressing the previous recommendations.
3	<b>Material Progress</b>	This scale indicates that the audited entity has begun necessary preparations for implementation, such as hiring or training staff, or developing or acquiring the necessary resources to implement the relevant recommendation. <i>(Preparation for implementation)</i>  This refers to “Material Progress” in the implementation of recommendations.
4	<b>Substantial Progress</b>	The audit team observes that the enabling structure and processes are in place and integrated in some parts of the organization, and some achieved results have been identified as well. <i>(Substantial implementation)</i>  This refers to “Substantial Progress” in the implementation of recommendations.
5	<b>Best Achievement</b>	This scale represents the status of “Best Achievement”. <i>(Full implementation)</i>  In the report the audit team’s Director concludes that the enabling structures and processes are operating as intended and implemented fully in all intended areas of the organization.

Source: Follow up Mechanism: A Missing Link in the Audit Cycle Pg.119, taken from Public Service Commission of Canada, Audit Manual (2006), Chapter7, Audit Follow-up Phase

## 5.0 PREPARATION OF REPORT FOR FOLLOW-UP RESULTS

5.1.1 In the early stages of the follow-up audit, the audit team should provide the entity’s management with the scale shown in Section 4.0. At the end of the follow-up, the audit team should present and discuss the results with entity representatives and prepare a report.

5.1.2 Ideally, the original audit team members should carry out the follow-up audit. There are two main methods for preparation of the follow-up audit reports:

- Every original audit team may prepare their separate follow-up audit reports. In this case, the final follow-up audit reports are not consolidated and the procedures of each report are conducted by the original audit teams.
- Prepare directly consolidated audit reports depending on the individual follow-up reports of the audited entities. By this way, the general issues and the assessments of the public management system with regard to follow-up mechanisms are systematically channeled through the public debate and parliamentary discussions.

5.1.3 A suggested template for reporting on follow up audits individually is provided below:

**Figure 1: Template for Individual Audit Follow-up**

<b>Audit Report:</b> _____			
<b>Auditee:</b> _____			
<b>Date Issued:</b> _____			
Issue No.	Recommendation	Action Taken <i>(as per report from management)</i>	Status <i>(Implementation of Recommendations)</i>
			F/IMP
<b>Prepared By:</b> _____			<b>Date:</b> _____

Source: AFROSAI-E Performance Audit Handbook (2013) Pg.131

**Key:** **F/IMP**-Fully Implemented; **N/IMP**-Not Implemented; **P/IMP**-Partially Implemented; **N/UPD**-No update provided

5.1.4 A report on the status of agreed-on corrective actions arising from audit reports, including agreed-on recommendations not implemented, should be presented to the appropriate level of management and to those charged with governance (e.g., the audit committee or board).

5.1.5 If, during a subsequent audit, the team finds that the corrective action that management had reported as ‘implemented’ had in fact not been implemented, they should communicate this to the appropriate level of management and those charged with governance. If appropriate, the audit team should obtain a current corrective action plan and planned implementation date.



- 5.1.6 When all the agreed-on corrective actions have been implemented, a report detailing all the implemented and/or completed actions can be forwarded to executive management and those charged with governance.

## **6.0 FOLLOW UP REPORT TO PARLIAMENT**

The OAG shall report to Parliament on progress in implementing recommendations at least once annually. Reports on follow-up audits carried out on selected audits may also be reported.

## **7.0 ASSUMING THE RISK OF NOT TAKING CORRECTIVE ACTION**

- 7.1.1 Executive management of the auditee may decide to accept the risk of not correcting the reported condition because of cost, complexity of the corrective action or other considerations. The board (or those charged with governance) should be informed of executive management's decision on all significant engagement observations and recommendations for which management accepts the risk of not correcting the reported situation.
- 7.1.2 If the audit team believes that the auditee has accepted a level of residual risk that is inappropriate for the entity, they should discuss the matter with OAG's executive management. If the audit team and auditee remain in disagreement with the decision regarding residual risk, they, along with executive management, should report the matter to the board (or those charged with governance) for resolution.
- 7.1.3 Acceptance of risk should be documented and formally approved by executive management and communicated to those charged with governance.

## **8.0 POSSIBILITIES OF RE-AUDIT**

- 8.1.1 Another important aspect with regard to follow-up mechanism is to consider the possibilities for re-audit. The audit team should distinguish the needs for re-audit from that of the issues to be assessed within the follow-up mechanism.
- 8.1.2 In reviewing the situation for audit follow-up, the audit team may find that the issues have evolved and need to be redefined. New issues may also be identified and judged important for assessment and reporting to Parliament.
- 8.1.3 Accordingly, on account of a risk based perspective, the key issues should be correctly differentiated from general follow-up requirements and identified for re-audit separately

## 9.0 APPENDIX 1: TEMPLATE FOR CLEARANCE OF ISSUES AFTER



### FOLLOW UP AUDITS ISSUES/RECOMMENDATIONS CLEARANCE

REFERENCE: \_\_\_\_\_

RECOMMENDATION:

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OAG VERIFICATION/COMMENTS:

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Verified by: \_\_\_\_\_

Checked by Audit Manager: \_\_\_\_\_

Verified Date: \_\_\_\_\_

Checked Date: \_\_\_\_\_

Director of Audit Clearance: \_\_\_\_\_

Date: \_\_\_\_\_

## 10.0 REFERENCES

Follow up Mechanism: A Missing Link in the Audit Cycle. By Dr. Sayistay Uzman Denetcisi.

Accessed from:

<https://www.sayistay.gov.tr/tr/Upload/95906369/files/dergi/pdf/der100m5.pdf>

*IS Audit and Assurance Guideline 2402 Follow-up Activities*

Accessed from <http://www.isaca.org/Knowledge-Center/ITAF-IS-Assurance-Audit-/IS-Audit-and-Assurance/Pages/Guideline-2402-Follow-up-Activities.aspx>

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