



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

2023 AUDIT REPORT GENERAL ADMINISTRATION SECTOR



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 81 of 2025



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
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TRANSPARENCY

Our processes
are transparent.

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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 2025

ENVIRONMENT
MANAGEMENT ACT

NDP AND OTHER
LEGISLATION

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File: 102

31 July 2025

The Honourable Filimone Jitoko
Speaker of the Parliament of the Republic of Fiji
Parliament Complex
Constitution Drive
SUVA

Dear Sir

2023 AUDIT REPORT ON GENERAL ADMINISTRATION SECTOR

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the General Administration Sector for the financial year 2023.

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

Yours faithfully

Finau Seru Nagera
AUDITOR-GENERAL



The Office of the Auditor-General – Republic of Fiji

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

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

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 all its stakeholders as well.

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1.0 SECTOR SUMMARY

This report contains the summaries and analysis of the audit findings and high-level recommendations aimed at strengthening the financial reporting for the following agencies under the General Administration Sector:

Head 1	Office of the President
Head 2	Office of the Prime Minister and Fijian Immigration Department
Head 3	Office of the Attorney-General
Head 4	Ministry of Finance
Head 5	Ministry of iTaukei Affairs
Head 6	Ministry of Defence, National Security and Policing (Reported as Ministry of Home Affairs and Immigration)
Head 7	Ministry of Employment, Productivity and Industrial Relations
Head 8	Ministry of Foreign Affairs
Head 9	Independent Bodies: Judiciary Parliament of Fiji Office of the Director of Public Prosecutions Media Industry Development Authority (Reported with Office of the Attorney General) Head 13 Independent Commission: Public Service Commission (Reported with Ministry of Civil Service)
Head 14	Fiji Corrections Service
Head 15	Ministry of Justice
Head 16	Ministry of Communications Departments of Information, Communications & Digital Government Transformation Office Department of Information Technology and Computing Services
Head 17	Ministry of Civil Service
Head 18	Ministry of Rural and Maritime Development and Disaster Management
Head 19	Republic of Fiji Military Forces
Head 20	Fiji Police Force
Head 49	Peacekeeping Missions

Results of Audits – Quality and Timeliness of Financial Statements

Eighteen Ministries were issued with unmodified audit opinions while three Ministries namely Office of the Prime Minister and Fijian Immigration Department, Judiciary and Republic of Fiji Military Forces were issued with a modified audit opinion.

The timeliness for the submission of the draft financial statements for audit was assessed as satisfactory for eighteen Ministries, a slight improvement from the previous year. Sixteen Ministries submitted the draft financial statements for audit on or before the due date of 31 October in the previous financial year.

A total of 24 audit findings have been reported compared to 44 identified in the previous year.

Furthermore, the timeliness for submission of management comments and the return of the audited financial statements were also assessed as detailed in section 3.5.

This report includes General Report for Ministry of Finance while Ministry of Finance General Report was included with Financial Statements of Government report in the previous year (*Parliamentary Paper No. 52 of 2024*).

2.0 AUDIT OPINION

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

Comparatively to the financial years 2021 and 2022, the outcome of the agency financial statements for the agencies under the General Administration Sector remained consistent except for the following three Ministries.

- Ministry of Foreign Affairs which was issued with modified audit opinion for the financial year 2022 and unmodified audit opinion in financial year 2023.
- The Office of the Prime Minister and Fijian Immigration Department was issued with modified audit report in 2023 while in previous financial years unmodified audit report was issued.
- Peacekeeping Missions was issued with unmodified audit report for the financial years 2022 and 2023 while modified audit report was issued for the financial year 2021.

The results of the audits for the last three financial years are presented in the table below:

Ministry/Department	2023 Financial Year		2022 Financial Year	2021 Financial Year
	Date Audit Report Signed	Audit Opinion Type	Audit Opinion Type	Audit Opinion Type
1. Office of the President	12/02/2024	Unmodified	Unmodified	Unmodified
2. Office of the Prime Minister and Fijian Immigration Department	31/07/2024	Modified	Unmodified	Unmodified
3. Office of the Attorney-General	06/03/2024	Unmodified	Unmodified	Unmodified
4. Ministry of Finance	13/08/2024	Unmodified	Unmodified	Unmodified
5. Ministry of iTaukei Affairs	19/02/2024	Unmodified	Unmodified	Unmodified
6. Ministry of Home Affairs and Immigration	05/07/2024	Unmodified	Unmodified	Unmodified
7. Ministry of Employment, Productivity and Industrial Relations	06/08/2024	Unmodified	Unmodified	Unmodified
8. Ministry of Foreign Affairs	14/08/2024	Unmodified	Modified	Unmodified
9. Independent Bodies Judiciary Parliament of Fiji Office of the Director of Public Prosecutions	22/08/2024 21/03/2024 01/05/2024	Modified Unmodified Unmodified	Modified Unmodified Unmodified	Modified Unmodified Unmodified
13. Independent Commission: Public Service Commission	02/02/2024	Unmodified	Unmodified	Unmodified
14. Fiji Corrections Service	13/08/2024	Unmodified	Unmodified	Unmodified
15. Ministry of Justice	26/09/2024	Unmodified	Unmodified	Unmodified
16. Departments of Information, Communication & Digital Government Transformation Office	30/04/2024	Unmodified	Unmodified	Unmodified
16A. Department of Information Technology and Computing Services	19/02/2024	Unmodified	Unmodified	Unmodified

Ministry/Department	2023 Financial Year	2022 Financial Year	2021 Financial Year
	Date Audit Report Signed	Audit Opinion Type	Audit Opinion Type
17. Ministry of Civil Service	02/02/2024	Unmodified	Unmodified
18. Ministry of Rural and Maritime Development and Disaster Management	22/07/2024	Unmodified	Unmodified
19. Republic of Fiji Military Forces	30/07/2024	Modified	Modified
20. Fiji Police Force	22/05/2024	Unmodified	Unmodified
49. Peacekeeping Missions	24/07/2024	Unmodified	Modified

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

2.1 Types of Audit Opinion

In accordance with International Standards on Auditing, the Auditor-General expresses an **unmodified opinion** when the financial statements are prepared in accordance with the relevant financial reporting framework and legislative requirements. This type of opinion indicates that material misstatements, individually or in aggregate, were not noted in our audit, which would affect the financial statements of an entity.

Modified Opinions:

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

An **adverse opinion** is expressed when, having obtained sufficient appropriate audit evidence, conclude that misstatements, individually or in aggregate, are both material and pervasive to the financial statements.

A **disclaimer of opinion** is issued when sufficient appropriate audit evidence is unable to be obtained on which to base the opinion, and we conclude that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

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

3.0 FINANCIAL REPORTING

Sound financial management require the important elements of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilised. Financial Reporting for the Ministries has been assessed on the following aspects:

- Preparation of Draft Agency Financial Statements
- Quality of Draft Financial Statements
- Timeliness of Draft Financial Statements
- Timeliness of Provision of Management Comments and Signing of Financial Statements

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




Details of our assessment is provided under [Section 3.5 – Assessment Results Summary](#).

3.1 Preparation of Draft Agency Financial Statements

On 27 April 2023, the Permanent Secretary for Ministry of Finance issued Circular No. 05/2022 – 2023 to Permanent Secretaries, Head of Departments and High Commissioners in Fiji Foreign Missions in which procedures for closing of 2023 accounts and timelines were detailed.

1. Cancellation of unprocessed purchase orders by 18 July 2023
2. Retirement of Imprest by 14 July 2023
3. Processing of payments by 28 July 2023
4. Closing date for journal adjustments by 17 August 2023
5. Processing of virement by 18 August 2023
6. Completion of reconciliation by 25 August 2023
7. Clearance of Interdepartmental clearance accounts by 8 August 2023
8. Submission of Arrears of Revenue Return by 25 August 2023

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

Rating	Year-end close process assessment
 Effective	All 8 key processes completed by the due date
 Generally effective	4 to 7 key processes completed by the due date
 Ineffective	Less than 4 key processes completed by the due date

3.2 Quality of Draft Financial Statements

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

We assessed the quality of the draft financial statements submitted for audit by the impact these adjustments had on the total expenditures, operating results or net assets of the Ministry.

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

3.3 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
🟢 Effective	Acceptable draft financial statements received on or before 31 October 2023
🔴 Ineffective	Acceptable draft financial statements received after 31 October 2023

3.4 Timeliness of Provision of Management Comments and Signing of Financial Statements

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

Rating	Timeliness of Management Comments Received
🟢 Effective	Within 14 days from the issue date of Draft Management Letter
🔴 Ineffective	After 14 days from the issue date of Draft Management Letter
Rating	Timeliness of Signed Financial Statements Received
🟢 Effective	Within 14 days from the issue date of Financial Statements for signing
🔴 Ineffective	After 14 days from the issue date of audited Financial Statements for signing

3.5 ASSESSMENT RESULT SUMMARY

The table below comparatively summarises the assessments of the financial statements preparing processes and timeliness of responses to the Office of the Auditor-General for the past three years. The details of the assessments are included in each Section.

Ministry or Department	Financial Statement Preparation									Responses to OAG					
	T			YE			Q			TMC			TSFS		
Financial Year	'23	'22	'21	'23	'22	'21	'23	'22	'21	'23	'22	'21	'23	'22	'21
General Administration Sector															
1. Office of the President	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2. Office of the Prime Minister and Fijian Immigration Department	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3. Office of the Attorney-General	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4. Ministry of Finance	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5. Ministry of iTaukei Affairs	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6. Ministry of Home Affairs and Immigration	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7. Ministry of Employment, Productivity and Industrial Relations	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
8. Ministry of Foreign Affairs	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
9. Independent Bodies															
Judiciary	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Parliament of Fiji	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Office of the Director of Public Prosecutions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
13. Independent Commission:															
Public Service Commission	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
14. Fiji Corrections Service	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
15. Ministry of Justice	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

	Financial Statement Preparation									Responses to OAG					
	T			YE			Q			TMC			TSFS		
Financial Year	'23	'22	'21	'23	'22	'21	'23	'22	'21	'23	'22	'21	'23	'22	'21
16. Departments of Information, Communications & Digital Government Transformation Office	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖
16A. Department of Information Technology & Computing Services	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖
17. Ministry of Civil Service	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖
18. Ministry of Rural and Maritime Development and Disaster Management	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖
19. Republic of Fiji Military Forces	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖
20. Fiji Police Force	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖
49. Peacekeeping Missions	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖	✖

'23 = 2023 '22 = 2022 '21 = 2021

T=Timeliness of draft financial statements

YE=Year-end close processes

Q=Quality of draft financial statements

TMC=Timeliness of management comments

TSFS=Timeliness of signing audited financial statements returned

Head 1

Office of the President

Roles and Responsibilities

The Office of the President provides administrative and logistical support to the Head of State in the performance of their official duties. These duties include: the signing of Bills passed by Parliament into law, opening each session of Parliament, attending ceremonial functions, responsibility as Commander-in-Chief of the Republic of Fiji Military Forces (RFMF), state visits and active community engagement.

His Excellency is also Fiji's lead advocate and Champion in the national campaign to promote a fit and healthy nation. The Office also facilitates the President's engagements with specific audiences and the general public to help reduce non-communicable diseases, a serious health crisis affecting the Fijian people.

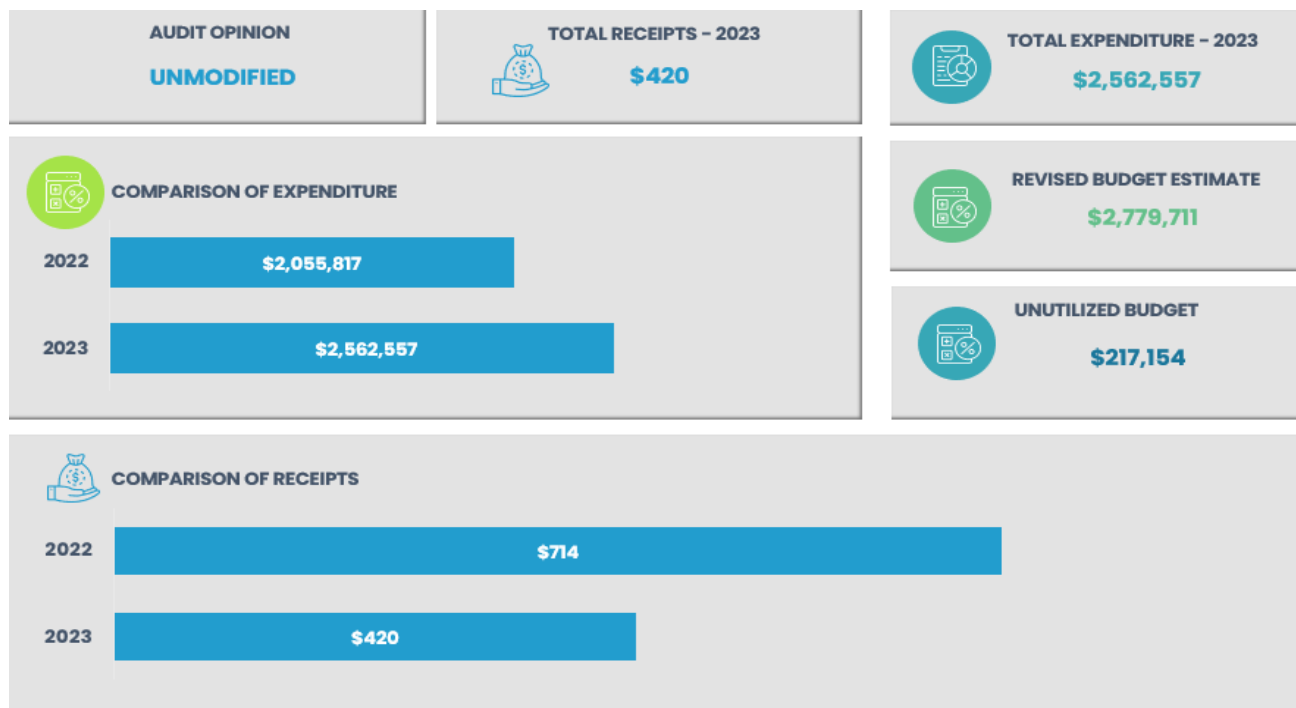
The President promotes Fiji to the international community by formally receiving the newly appointed Foreign Head of Missions who are accredited to Fiji, receiving visiting dignitaries including Head of States, Heads of Government, and leaders of International Organizations and by visiting other countries for special occasions and to move forward Fiji's strategic foreign policy priorities.

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PART A: FINANCIAL INFORMATION

1.1 Financial Information



1.2 Audit Opinion

The audit of the 2023 financial statements of the Office of the President resulted in an unmodified audit opinion.

1.3 Appropriation Statement

The Office incurred expenditures totalling \$2.6 million against a revised budget of \$2.8 million resulting in unutilised budget of \$0.2 million or 7.1%. A total of \$420 in revenue was collected by the Office. Details of expenditure against the revised budget are provided in Table 1.1.

Table 1.1: Head 1 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	753,763	(15,425)	738,338	636,241	102,097
2	Government Wage Earners	274,187	15,425	289,612	259,677	29,935
3	Travel & Communications	492,500	157,077	649,577	636,214	13,363
4	Maintenance & Operations	533,472	30,671	564,143	533,133	31,010
5	Purchase of Goods & Services	581,149	(187,748)	393,401	373,508	19,893
	Total Operating Expenditure	2,635,071	---	2,635,071	2,438,773	196,298
13	Value Added Tax	144,640	---	144,640	123,784	20,856
	Total	2,779,711	---	2,779,711	2,562,557	217,154

PART B: ASSESSMENT OF FINANCIAL REPORTING

1.4 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
Effective	All 7 key processes completed by the due date

1.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Office of the President was:

Rating	Quality of draft financial statements assessment
Effective	No adjustments required

1.6 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
Effective	Acceptable draft financial statements received before 31 October 2023

1.7 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
• Effective	Within 14 days from the issue date of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
• Effective	Within 14 days from the issue date of audited Financial Statement for signing

Head 2**Office of the Prime Minister and Fijian Immigration Department****Roles and Responsibilities**

The Office of the Prime Minister ('OPM') assists the Prime Minister in the role of Head of Government and Chairperson of Cabinet by providing administrative and logistical support. The Cabinet Office of the OPM provides Cabinet and the Prime Minister with secretarial support to ensure the decisions for the effective running of Government.

The OPM also implements a number of programmes, including the development of the mahogany industry, issuance of small grants, the coordination of donor funding for community development projects (particularly in rural areas and outer islands), and the administration of the Rotuma, Rabi and Kioa Island Councils.

The OPM has authority over the Fijian Immigration Department, which is responsible for providing efficient and effective immigration services and ensuring the integrity of Fiji's border and the effective management of people's movement in and out of Fiji. This includes processing and issuance of all types of permits, processing and issuance of pre-entry visa to eligible persons, processing and issuance of passports to all bona fide Fiji citizens, processing and granting of Fiji citizenship to eligible persons, and the identification, apprehension and removal from Fiji of persons who have breached conditions of their visa.

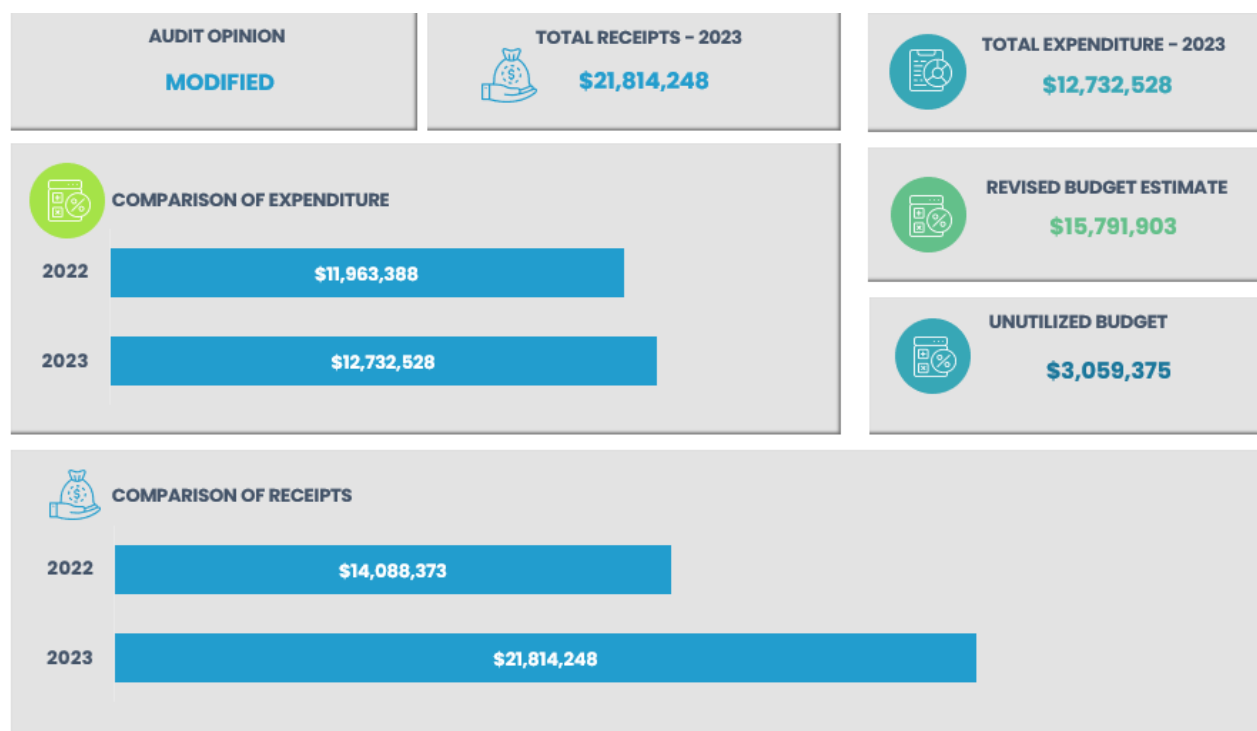
The Department's e-Passport system protects against forgery and identify theft. The Department also plans to proceed to the next step for a sweeping digital transformation in all immigration processes to secure borders.

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PART A: FINANCIAL INFORMATION

2.1 Financial Information



2.2 Audit Opinion

The audit of the 2023 financial statements of the Office of the Prime Minister and Fijian Immigration Department resulted in a modified audit opinion based on the following qualification on the Immigration Trust Fund Account:

There was an unreconciled variance totalling \$1,232,665 between the Immigration Bond Trust Fund General Ledger and the Immigration Bond Trust Fund Account listing maintained by the Department. As a result, the accuracy and completeness of the closing balance reflected in the Trust Fund Account could not be verified.

In addition, attention was drawn to the following emphasis of matter:

There was an unreconciled variance of \$569,464 between the total operating revenue as per the International Border Management System (IBMS) and the FMIS General Ledger.

2.3 Appropriation Statement

The Office of the Prime Minister and Fijian Immigration Department incurred expenditures totalling \$12.7 million against a revised budget of \$15.8 million resulting in unutilised budget of \$3.1 million or 19.6%. A total of \$21.8 million in revenue was collected by the Office of the Prime Minister and Fijian Immigration Department.

Details of expenditures against the revised budget are provided in Table 2.1.

Table 2.1: Head 2 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	5,196,050	(258,500)	4,937,550	4,667,952	269,598
2	Government Wage Earners	484,594	141,500	626,094	581,034	45,060
3	Travel & Communications	1,115,000	290,000	1,405,000	1,353,913	51,087
4	Maintenance & Operations	1,594,090	27,800	1,621,890	1,559,589	62,301
5	Purchase of Goods & Services	1,957,381	393,833	2,351,214	2,297,617	53,597
6	Operating Grants & Transfers	821,500	(66,715)	754,785	607,742	147,043
7	Special Expenditure	1,443,068	(43,000)	1,400,068	214,966	1,185,102
	Total Operating Expenditure	12,611,683	484,918	13,096,601	11,282,813	1,813,788
9	Capital Purchase	2,600,000	(1,484,918)	1,115,082	239,224	875,858
10	Capital Grants & Transfers	1,000,000	---	1,000,000	978,668	21,332
	Total Capital Expenditure	3,600,000	(1,484,918)	2,115,082	1,217,892	897,190
13	Value Added Tax	670,220	(90,000)	580,220	231,823	348,397
	TOTAL	16,881,903	(1,090,000)	15,791,903	12,732,528	3,059,375

The unutilised budget resulted mainly from migration work for the IBMS (Integrated Border Management System) which was in progress.

2.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use.

The Office of the Prime Minister operates and maintains four main trust fund bank accounts. The Fijian Immigration Department operates and maintains one main trust fund bank account.

Given below are the details of these accounts:

2.4.1 Chinese Grant Trust Fund Account

The trust fund account is used to record and maintain grants that are provided by the Chinese Government to the Fiji Government through bilateral agreements in the form of letter of exchange.

The funds are generally used to cater for those projects that are committed by the Honourable Prime Minister through requests from the communities and evaluated based on its need and priority. These are mainly projects that assist communities in the areas of education, integrated village/settlement

developments, youth developments, women's and minority group settlement developments and are not provided for in the national budget estimates. The approving authority for the funding of assistance under this trust fund is the Honourable Prime Minister.

Table 2.2: Chinese Grant Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Interest	305	313
Indonesian cash in kind project assistance	42,347	---
Total Receipts	42,652	313
PAYMENTS		
Salusalu Domoni Band Assistance	9,316	---
Ablution Block – Vunirara House Bau	58,134	---
Nasava Village Assistance	1,000	---
RFMF Sports Assistance	3,125	---
Bank Charges	31	---
Repair of Protocol Vehicles	---	25,869
Withholding Tax	---	31
Bank Audit Certificate	---	80
Total Payments	71,606	25,980
Net (Deficit)	(28,954)	(25,667)
Opening balance as at 1 August	304,614	330,281
Closing Balance as at 31 July	275,660	304,614

The increase in receipts by \$42,339 was mainly due to cash in kind assistance received from Indonesian representative for Prime Minister's Community project. The increase in payments by \$45,626 or 176% was due to renovation of ablution block for Vunirara House in Bau Island.

2.4.2 Taiwan Grant Trust Fund Account

The trust fund account is used to record and maintain grants that are provided by the Taiwanese Government to the Fiji Government through bilateral agreements. The funds are generally used to cater for those projects that are committed by the Honourable Prime Minister through requests from the communities and evaluated based on its need and priority. These are mainly projects that assist in the areas of education, integrated village/settlement developments, youth developments, women's and minority group settlement developments and are not provided for in the national budget estimates. The approving authority for the funding of assistance under this trust fund is the Honourable Prime Minister.

Table 2.3 Taiwan Grant Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Interest Received	402	388
Taiwan Grant Assistance	75,000	---
Total Receipts	75,402	388
PAYMENTS		
Assistance to Community Projects	---	600
Withholding Tax	40	39
Total Payments	40	639
Net Surplus/ (Deficit)	75,362	(251)
Opening Balance as at 1 August	388,214	388,465
Closing Balance as at 31 July	463,576	388,214

The increase in receipts by \$75,014 was mainly due to receipt of \$75,000 grant from Taiwan Government.

2.4.3 Retention Trust Fund Account

This trust fund account is used to maintain retention funds for various projects as per the conditions on the agreement. The funds will be paid out to contractors when certificate of completion is submitted, and all conditions of the contract are met.

Table 2.4 Retention Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Interest	996	1,029
Total Receipts	996	1,029
PAYMENTS		
Bank fee	140	103
FRCS Payments	---	2,453
Retention Payment – Nasivikoso Village School	---	11,978
Retention Payment – Ballantine Memorial School	---	31,912
Retention Payment – Immaculate College	---	7,134
Total Payments	140	53,580
Net Surplus/ (Deficit)	856	(52,551)
Opening Balance as at 1 August	995,398	1,047,949
Closing Balance as at 31 July	996,254	995,398

The reduction in payments by \$53,440 was mainly due to no retention payments made in 2023 financial year.

2.4.4 Mahogany Industry Council Trust Fund Account

The Mahogany Industry Council Trust Fund was established in July 2015 for the sole purpose of administering all license fees paid by Mahogany Industry license holders.

Table 2.5: Mahogany Industry Council Fund

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Licensing Fees	1,105,654	1,495,735
Total Receipts	1,105,654	1,495,735
PAYMENTS		
Audit Certificate Fee	---	100
Bank Charges	84	67
Branding Legal Fee	---	41,541
FRCS – Stamp Duty	3,655	6,922
Trademark Renewal	6,736	---
Legal Service	4,197	---
Total Payments	14,672	48,630
Net Surplus	1,090,982	1,447,105
Opening Balance as at 1 August	1,451,456	4,351
Closing Balance as at 31 July	2,542,438	1,451,456

The reduction in licensing fees by \$390,081 or 26% was mainly due to decrease in License fees received from Fiji Hardwood Corporation Limited. The decrease in payments by \$33,958 or 70% was mainly due to no branding legal fee payment made in 2023 financial year.

2.4.5 Immigration Trust Fund Account

The Immigration Security bond trust fund account was established for the sole purpose of retention of money paid by non-Fiji citizens as security prior to the granting of the permit. Bonds are kept with the Department until such time, they leave the country then it will be refunded.

Table 2.6: Immigration Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Immigration Bond Received	4,491,806	3,017,656
Interest	133,837	226,309
Total Receipts	4,625,643	3,243,965

Description	31 July 2023 (\$)	31 July 2022 (\$)
PAYMENTS		
Immigration Bond Refund	2,458,751	2,746,311
Bank Charges and Withholding Tax	14,624	23,472
Unsubstantiated Trust Monies Transferred to CFA	---	3,511,817
Total Payments	2,473,375	6,281,600
Net Surplus/ (Deficit)	2,152,268	(3,037,635)
Opening Balance as at 1 August	27,850,809	30,888,444
Closing Balance as at 31 July	30,003,077	27,850,809

The increase in receipts by \$1.4 million or 43% was mainly due to increase in income from immigration bond. The decrease in Immigration Bond refund by \$287,560 or 10% was due to decrease in bond refunds to Non-Fijian Citizens in 2023.

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Office. These have been included in this report as they impacted on the overall system of control of the Office as at 31 July 2023.

FIJIAN IMMIGRATION DEPARTMENT

2.5 Variance between Immigration Bond Trust Fund Listing and FMIS General Ledger

Within five (5) days after the end of each month, the Assistant Accounts Officer shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.¹

Audit of the Immigration Bond Trust Fund Account revealed unreconciled variance totalling \$1,232,665 between the Immigration Bond Trust Fund FMIS General Ledger balance and the Immigration Bond Trust Fund Account listing maintained by the Department. Refer to Table 2.7 below for details.

Table 2.7: Details of Unreconciled Variance – Immigration Trust Fund Account

Immigration Bond Trust Fund Account	Total (\$)
Amount as per FMIS General Ledger	30,003,077
Amount as per Trust Fund Listing	31,235,742
Variance	(1,232,665)

¹ *Fijian Immigration Department, Finance Manual 2022, Section 13.4.1*

In the absence of updated Trust Fund Claimants listings the variance exists which indicated the existence of errors and omissions. This also indicated lack of supervisory checks to ensure internal control in place were effectively carried out. As a result, audit was not able to ascertain the accuracy and completeness of the closing balance reflected in the Trust Fund Account.

Recommendations

The Department should:

- ensure that Trust Fund Account balance listing is updated as soon as refunds are processed.
- identify the details of the variance and reconcile with the Trust Fund Claimants listings.

Agreed Management Comments

Justification

- General Ledger reflects only FY22-23 bond refunds whereas Immigration Bond Trust Fund Account Listing reflects the bond listings from the year claimant listing is maintained.
- Also, contributing factor is that direct deposits from the customers is posted in the FMIS and the application is only receipted once received from the customer. The same is then factored in the claimant listings.

Action Taken

- Due to lack of manpower the receipting process was done as per applicant's enquiry and not at the time of payment.
- Department dealing with refund application on daily basis.

Strategic Measures

- Bonds as securities are no longer required since November 2023
- Bond refund process awareness on the Department website

2.6 Variance in International Border Management System (IBMS) Revenue

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced not only at ministry/department level and/but most importantly at whole of government level.² Within five working days of the Ministry of Finance issuing the monthly General Ledger Reports, the Clerical Officer Revenue shall reconcile the revenue figures in the report to the Revenue Statement.³

The total operating revenue of \$21,796,552 includes Immigration Department Revenue of \$21,718,517 which is 99.6% of the total operating revenue. The audit noted unreconciled variance of \$569,464 between the total operating revenue as per the International Border Management System (IBMS) and the FMIS General Ledger. Refer to Table 2.8 below for details.

Table 2.8: Variance between the IBMS and FMIS GL Operating Revenue

Revenue	Total (\$)
Amount as per FMIS General Ledger	21,718,517
Less: Foreign Affairs Posting in FMIS	(1,455,898)
Total as per FMIS General Ledger	20,262,619
Total Revenue as per IBMS Report	19,693,155
Variance	569,464

In the absence of the requirement in the Departments finance manual to perform revenue reconciliation between FMIS General ledger and IBMS report the variance exists. The Department only provided reconciliations from August 2022 to February 2023 which were not signed.

² Fijian Immigration Department, Finance Manual 2022, Section 15.2, Page 80, Reconciliation

³ Fijian Immigration Department, Finance Manual 2022, Section 4.5.15

Recommendations

The Department should ensure that:

- the Finance Manual is updated to include the preparation of the reconciliation between the International Border Management System (IBMS) system and the FMIS General Ledger on a monthly basis.
- IBMS revenue report is reconciled to FMIS General Ledger on a monthly basis and errors are rectified in a timely manner.
- the monthly reconciliation statements are signed off by preparer and reviewer.

Agreed Management Comments

Justification

- i. The variance highlighted in the DML only includes foreign mission revenue for passport allocation whereas the department is collecting all categories of revenue.
- ii. FMIS Captures fees refund, revenue received from foreign mission.
- iii. Additionally, IBMS captures the data on real time so refund of revenue received from foreign mission, direct deposit, as such IBMS and FMIS will always have a variance. (IBMS and FMIS does not record same revenue items)

Action Taken

- i. The Department's Finance manual is silent on revenue reconciliation, it only requires Bank Clearance (BLC)
- ii. The monthly reconciliation by each revenue type and variance between IBMS and FMIS was not conducted due to lack of manpower.
- iii. The department managed to conduct the reconciliation from August 2022 to February 2023 and is currently working on March to July 2023.

Strategic Measures

- i. The Accounts section will ensure that revenue reconciliation is conducted to rectify the variance.
- ii. Systematic revenue reconciliation on a daily/monthly basis is highly recommended. (Current reconciliation process requires lot of manpower and time).

OFFICE OF THE PRIME MINISTER

2.7 Overstated Revenue

Each journal voucher or input form shall be checked by the Manager Finance who must ensure that vouchers are adequately supported, dollar values are accurately computed and the correct account codes have been debited or credited.⁴

Review of revenue allocation revealed that the Office had posted miscellaneous trust fund account balance of \$32,571 into recoveries of overpayments in previous year revenue allocation in financial year 31 July 2023 for which cash was not received in the current financial year.

The posting was made to clear the balances from the miscellaneous trust fund account. However, the contra entry was posted to revenue allocation with no actual cash received during the financial year ended 31 July 2023. Refer to Table 2.9 below for details of adjustment passed.

⁴ Office of the Prime Minister, Finance Manual 2021, Part 5 Revenue, Section 5.5.6

Table 2.9: Details of adjustment passed

JV No.	Date	Allocation Debited	Allocation Credited	Amount (\$)
JV08/12	11/07/23	1-02101-02999-899988 (Operating Trust)	1-02101-02999-281203 (Revenue)	32,571

This has resulted in revenue being overstated by \$32,571 for the year ended 31 July 2023. This balance is included as part of the operating revenue in the financial statements.

Recommendation

The Office should consult Ministry of Finance for any adjustment related to prior year balances.

Agreed Management Comments

This adjustment has been highlighted as part of our disclosure in our AFS under revenue. Our OPR allocation records prior year's recovery and revenues. The clearance posting was based on the understanding that this was a dormant balance, all prior receipts have been deposited in the CFA from prior years, the balance is not owed to anyone, also considering our exit meeting discussion with OAG in 2023 as we had agreed on an adjustment to be done on the dormant balance rather than setting up a separate trust, given that administration has already been transferred to National Archives in 2018 where they are currently recording it as a revenue.

Our last meeting with Ministry of Finance through the Financial Reporting unit we had proposed for a journal adjustment to be undertaken but they had advised us to seek further clarity from National Archives and OAG on a way forward. In the exit meeting with OAG in 2023, we had agreed for a journal adjustment given the dormant balance and the earlier transfer of administration. We had chosen the OPR allocation given our past experience that the dormant balance has been sitting in the account for the past couple of years and also we cannot post directly to equity allocation (this was also not proposed to us by OAG or MoF). That is why the OPR allocation was the closest that we were able to directly adjust this posting to and this has also been justified in our internal submission. After the posting a request for the Journal voucher was provided to Ministry of Finance, Financial Reporting team who did not have any issues or feedback regarding this clearance posting.

Moving forward, we will ensure that Ministry of Finance are consulted before such adjustments are made.

PART C: ASSESSMENT OF FINANCIAL REPORTING

2.8 Preparation of Draft Agency Financial Statements

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

Office of the Prime Minister

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virements by 18 August 2023	✓
Retirement of imprest by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓


Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
● Effective	All 7 key processes completed by the due date

Fiji Immigration Department

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virements by 18 August 2023	✓
Retirement of imprest by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023	✗	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓


Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
 Generally Effective	6 key processes completed by the due date


2.9 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Office of the Prime Minister and Fijian Immigration Department was:

Office of the Prime Minister


Rating	Quality of draft financial statements assessment
 Effective	No adjustments required

Fijian Immigration Department

Rating	Quality of draft financial statements assessment
 Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

2.10 Timeliness of Draft Financial Statements

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


Rating	Timeliness of draft financial statements assessment
 Effective	Acceptable draft financial statements received before 31 October 2023

2.11 Timeliness of Provision for Management Comments and Financial Statements for Signing

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the dates the draft management letter and audited financial statements were issued and the date management comments and signed financial statements were received. Accordingly, we have assessed timeliness as:

Office of the Prime Minister

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statement for signing

Fijian Immigration Department

Rating	Timeliness of Management Comments Received
★ Effective	Within 14 days from the issue date of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
★ Effective	Within 14 days from the issue date of audited Financial Statement for signing

Head 3

Office of the Attorney-General

Roles and Responsibilities

The Attorney-General is the Chief Legal Adviser to Government, whose Permanent Secretary is the Solicitor-General. The Attorney-General's Chambers seeks to continually review and improve Fijian laws to bring about a more just and secure society. It provides legal services to Government and represents the State in legal proceedings. It also prepares draft laws on request of Cabinet and maintains a publicly accessible register of all written laws.

The Chambers is therefore responsible for:

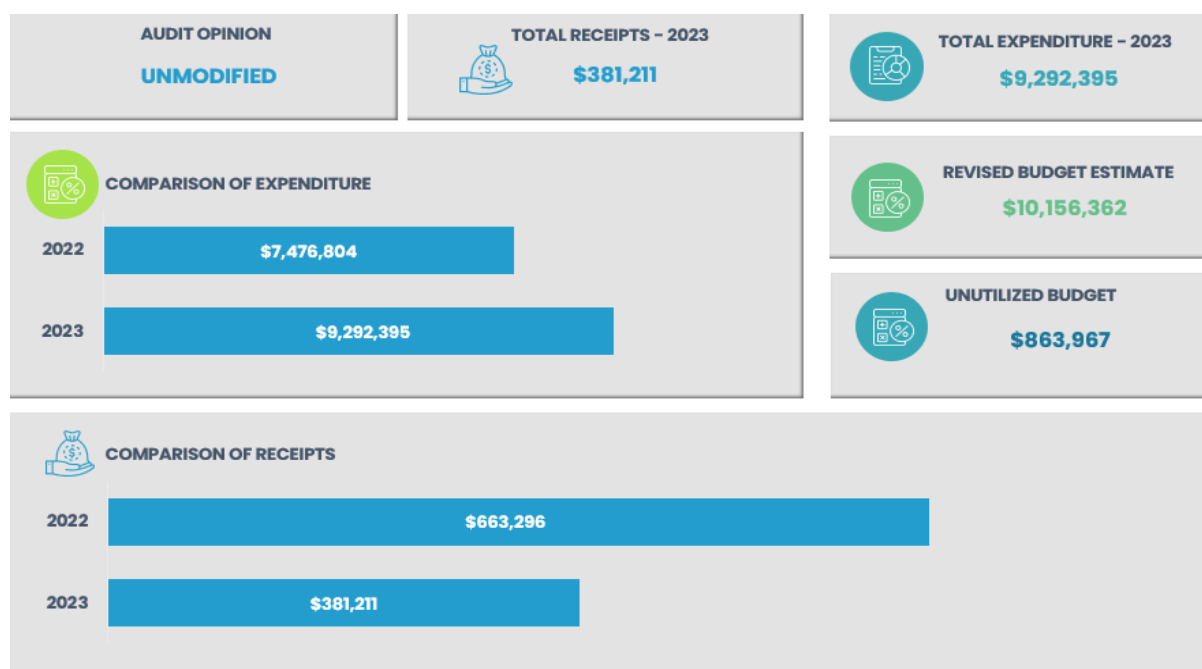
- Providing legal advice to Government and to the holders of a public office on request;
- Drafting laws on the request of Cabinet;
- Maintaining a publicly accessible register of all written laws;
- Representing the State in Tribunals and Courts in legal proceedings to which the State is a party, except criminal proceedings; and
- Performing other functions assigned by the Constitution, any written law, Cabinet or the Attorney-General.

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PART A: FINANCIAL INFORMATION

3.1 Financial Information



3.2 Audit Opinion

The audit of the 2023 financial statements of the Office of the Attorney-General resulted in an unmodified audit opinion.

3.3 Appropriation Statement

The Office incurred expenditures totalling \$9.3 million against a revised budget of \$10.2 million resulting in unutilised budget of \$0.9 million or 8.8%. A total of 381,211 in revenue was collected by the Office.

Details of expenditure against the revised budget are provided in Table 3.1.

Table 3.1: Head 3 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,470,558	(170,842)	3,299,716	3,019,463	280,253
2	Government Wage Earners	275,937	55,842	331,779	316,365	15,414
3	Travel & Communications	462,000	120,000	582,000	492,560	89,440
4	Maintenance & Operations	517,000	129,670	646,670	599,593	47,077
5	Purchase of Goods & Services	505,780	8,318	514,098	311,568	202,530
6	Operating Grants & Transfers	4,344,532	---	4,344,532	4,315,162	29,370
7	Special Expenditure	410,000	(142,988)	267,012	115,758	151,254

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Total Operating Expenditure	9,985,807	---	9,985,807	9,170,469	815,338
8	Capital Construction	---	---	---	---	---
9	Capital Purchases	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	Total Capital Expenditure	---	---	---	---	---
13	Value Added Tax	170,555	---	170,555	121,926	48,629
	TOTAL	10,156,362	---	10,156,362	9,292,395	863,967

3.4 Appropriation Statement – Head 09 Media Industry Development Authority

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	67,054	---	67,054	8,931	58,123
	Total Operating Expenditure	67,054	---	67,054	8,931	58,123
	TOTAL	67,054	---	67,054	8,931	58,123

Payments relating to the functioning of the Media Industry Development Authority is facilitated by the Office of the Attorney-General.

3.5 Appropriation Statement – Head 13 Constitutional Offices Commission

Head 13(i) Constitutional Offices Commission

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	20,000	---	20,000	7,178	12,822
	Total Operating Expenditure	20,000	---	20,000	7,178	12,822
	TOTAL	20,000	---	20,000	7,178	12,822

Payments relating to the functioning of the Constitutional Offices Commission is facilitated by the Office of the Attorney-General.

Head 13(ii) Accountability & Transparency Commission

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	20,000	---	20,000	---	20,000
	Total Operating Expenditure	20,000	---	20,000	---	20,000
	TOTAL	20,000	---	20,000	---	20,000

Payments relating to the functioning of the Accountability and Transparency Commission is facilitated by the Office of the Attorney-General. No expenditure was incurred in the financial year 2023.

3.6 Main Trust Fund Accounts

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account. The Office of the Attorney-General operates and maintains 3 main trust fund bank accounts which includes the following:

3.6.1 Attorney-General's Conference Trust Fund Account

The Trust Fund Account was established to retain surplus fund generated after the Annual Attorney-General Conference to assist the next conference as the Office is only allocated \$87,200 from the yearly budget allocation.

Receipts consist of \$626,725 from Continuing Legal Education fees from private practitioners attending the Conference. Payments comprises of expenditure associated with the Attorney-General Annual Conference.

Table 3.2: Attorney-General's Conference Trust Fund Account

DESCRIPTION	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Participants registration fees for AG's conference	626,725	469,987
Budget allocation from Consolidated Fund	87,200	60,000
Total Receipts	713,925	529,987
PAYMENTS		
AG's Conference – Accommodation	469,930	316,740
AG's Conference – Stationery	17,753	10,482
AG's Conference - Participant Transportation	1,400	---
AG's Conference – Advertising	2,760	6,388
AG's Conference – Incidentals	2,815	2,730
Set Up & IT & Website	27,816	38,041
Band	5,500	5,700
AG's Conference - Speakers Travel	4,645	---
AG's Conference - Dinner Decoration & Setup	12,546	---
Meal Claims	3,334	566
Refund of registration fees	22,550	300
Uniform Expenses	2,691	2,520
Bank Charges	163	92
Total Payments	573,903	383,559
Net Surplus	140,022	146,428
Balance as at 1 August	319,226	172,798
Closing Balance as at 31 July	459,248	319,226

The increase in receipts by \$183,938 or 35% and increase in payments by \$190,344 or 50% was mainly due to increase in registration fees and payments related to Attorney-General's conference.

3.6.2 Laws of Fiji Trust Fund Account

The Laws of Fiji Fund was established to fund the cost of publication and printing of the Laws of Fiji and to provide funding for future law revision costs.

Table 3.3: Laws of Fiji Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Interest	2,116	3,732
Total Receipts	2,116	3,732
PAYMENTS		
Laws of Fiji Book Payments	---	46,411
Audit Certificate bank fees	---	50
Withholding Tax	170	373
Bank Charges	60	60
Total Payments	230	46,894
Net Surplus/ (Deficit)	1,886	(43,162)
Balance as at 1 August	431,616	474,778
Closing Balance as at 31 July	433,502	431,616

The decrease in payments by \$46,664 was mainly due to no payments made related to publication and printing of the Laws of Fiji.

3.6.3 Solicitor-General's Trust Account

The Solicitor General's Trust Fund Account was established to facilitate the payments of court judgements or awards, including payments approved for paying court costs, out of court settlements and ancillary legal expenses in litigation involving Government.

Table 3.4: Solicitor-General's Trust Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Revenue	365,911	709,169
Interest	4,062	4,474
Total Receipts	369,973	713,643
PAYMENTS		
Litigation Payments	321,705	481,784
Withholding Tax	406	447
Bank Charges	86	117
Total Payments	322,197	482,348
Net Surplus	47,776	231,295
Balance as at 1 August	796,404	565,109
Closing Balance as at 31 July	844,180	796,404

The decrease in receipts by \$343,670 or 48% and decrease in payments by \$160,151 or 33% was mainly due to reduction in receipts and payments from Government Ministries/Department to facilitate payments related to court judgments and other legal expenses.

PART B: ASSESSMENT OF FINANCIAL REPORTING

3.7 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
★ Effective	All 8 key processes completed by the due date

3.8 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Office of the Attorney-General was:

Rating	Quality of draft financial statements assessment
★ Effective	No adjustments required

3.9 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
★ Effective	Acceptable draft financial statements received before 31 October 2023

3.10 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statement for signing

HEAD 4**MINISTRY OF FINANCE****Roles and Responsibilities**

The Ministry of Finance is responsible for managing public finances in accordance with the Fijian Constitution and the Financial Management Act 2004.

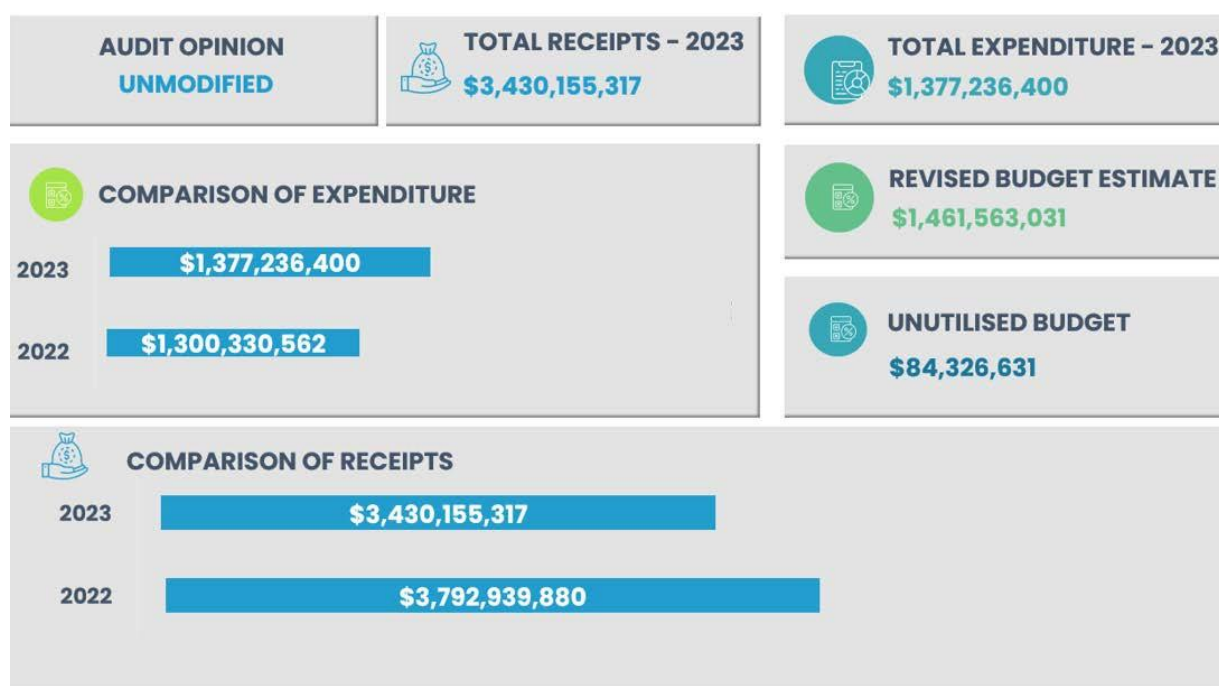
The Ministry carries out economic analysis and forecasting; manages Government's national budget, debt and assets; oversees fiscal policy and tax collection; implements financial management reforms; and ensures that Government can procure the goods and services required to maximise services delivered to the Fijian people. The Ministry through its functional units promotes sound management of the Fijian economy through analyses, efficient budgeting and proactive planning.

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PART A: FINANCIAL INFORMATION

4.1 Financial Information



The financial information consists of total receipts and expenditures of the following Heads of Appropriation:

- Head 4 – Ministry of Finance
- Head 50 – Miscellaneous Services
- Head 51 – Pensions, Gratuities and Compassionate Allowances
- Head 52 – Charges on Account of Public Debt

4.2 Audit Opinion

The audit of the 2023 financial statements of the Ministry of Finance resulted in an unmodified audit opinion with an other matter paragraph.

The other matter paragraph was on the Accounts Receivable balance which amounted to \$56,803,277 for Statutory Authorities (Telecommunication Authority of Fiji, Land Transport Authority and Water Authority of Fiji). This amount was not recorded in the Ministry's FMIS general ledger as required under Section 40 of the Finance Instructions 2010.

4.3 Head 4 - Appropriation Statement

The Ministry incurred expenditure totalling \$65 million against a revised budget of \$68.9 million resulting in an unutilised budget of \$3.9 million or 5.7%. A total of \$3.4 billion in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 4.1 below.

Table 4.1: Head 4 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	14,454,312	(738,822)	13,715,490	11,547,465	2,168,025
2	Government Wage Earners	555,590	165,668	721,258	610,623	110,635
3	Travel & Communication	634,500	316,483	950,983	723,051	227,932
4	Maintenance & Operations	1,407,593	203,026	1,610,619	1,332,528	278,091
5	Purchase of Goods & Services	2,112,647	(5,836)	2,106,811	1,828,442	278,369
6	Operating Grants & Transfers	40,512,500	387	40,512,887	40,512,887	---
7	Special Expenditure	3,835,316	(397,627)	3,437,689	3,170,951	266,738
	Total Operating Expenditure	63,512,458	(456,721)	63,055,737	59,725,947	3,329,790
9	Capital Purchase	140,000	---	140,000	---	140,000
10	Capital Grants & Transfers	3,713,900	1,349,777	5,063,677	5,056,173	7,504
	Total Capital Expenditure	3,853,900	1,349,777	5,203,677	5,056,173	147,504
13	Value Added Tax	731,750	(41,105)	690,645	239,309	451,336
	TOTAL	68,098,108	851,951	68,950,059	65,021,429	3,928,630

The unutilised budget resulted mainly from the vacant positions not filled.

4.4 Head 50 - Appropriation Statement

Funding allocations under Miscellaneous Services is administered by the Ministry of Finance. The funding provided under Head 50 normally includes contingency funding and other common central pools of funds that are available to the Whole of Government. It also includes funding for activities that require scrutiny and monitoring by the Ministry of Finance.

Expenditures totalling \$539.6 million were incurred under Head 50 in 2023 against a revised budget of \$600.1 million resulting in unutilised budget of \$60.5 million or 10.1%.

Details of expenditures against the revised budget are provided in Table 4.2.

Table 4.2: Head 50 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,500,000	(650,000)	850,000	198,773	651,227
2	Government Wage Earners	500,000	(500,000)	---	---	---
3	Travel & Communication	1,856,000	300,000	2,156,000	1,426,142	729,858
5	Purchase of Goods & Services	52,320,444	(6,485,000)	45,835,444	44,487,720	1,347,724
6	Operating Grants & Transfers	5,965,000	678,734	6,643,734	6,286,527	357,207
7	Special Expenditure	66,143,507	74,033,506	140,177,013	132,757,826	7,419,187
	Total Operating Expenditure	128,284,951	67,377,240	195,662,191	185,156,988	10,505,203
8	Capital Construction	14,903,543	(7,149,488)	7,754,055	3,659,164	4,094,891
9	Capital Purchase	31,902,953	(2,731,180)	29,171,773	28,433,183	738,590
10	Capital Grants & Transfers	351,058,212	(1,402,132)	349,656,080	306,325,247	43,330,833
	Total Capital Expenditure	397,864,708	(11,282,800)	386,581,908	338,417,594	48,164,314
13	Value Added Tax	14,101,414	3,762,459	17,863,873	16,030,538	1,833,335
	TOTAL	540,251,073	59,856,899	600,107,972	539,605,120	60,502,852

The unutilised budget resulted mainly from the following:

- the delay in the implementation of special projects and schemes such as Payroll Software projects, reduction in the number of applications for the birth and death certificates, decrease in the number of tourists paying for insurance premium and the redeployment of funds from other SEGs.
- delay in the implementation of other major capital projects during the transition period following the change in Government, renovation of Government Quarters and Office Refurbishments works. Some of the projects/schemes such as the Air Bag Trailer Assistance, Private Sector Utility Assistance and Electric Vehicle Subsidy were delayed due to the lack of preparatory works. In addition, the partial release of funds to TELS due to a smaller number of applications for the TELS programme resulting in the decrease in amount of allowance, tuition and accommodation paid out as compared to prior year. The unutilised budget was also due to the redeployment of funds from other SEGs.

4.5 Head 51 - Appropriation Statement

The Pensions Section manages the computation and payment of various pensions in accordance with existing pension legislation. The Section also processes re-engagement benefits for prison officers, military officers and forest guards and oversees the payment of pensions to Government Pensioners, Ex-Parliamentarians, Ex-Prime Ministers and Presidents, Ex-Chief Justices and Retired Judges, Service Pensioners and the widows and orphans of deceased public officers.

Expenditures totalling \$28.3 million were incurred under Head 51 in 2023 against a revised budget of \$31.8 million resulting in an unutilised budget of \$3.5 million or 11%.

Details of expenditures against the revised budget are provided in Table 4.3 below.

Table 4.3: Head 51-Appropriation Statement

SEG	Item	Budge Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
11	Pensions	31,378,900	---	31,378,900	28,232,277	3,146,623
	Gratuities	394,900	---	394,900	65,193	329,707
	TOTAL	31,773,800	---	31,773,800	28,297,470	3,476,330

These are obligatory payments of the government and are not part of the annual appropriation act. The payments are calculated and paid in accordance with various acts and legislation, mainly Pensions Act 1983, Widows and Orphans Pension Act 1914, Parliamentary Retirement Allowance Act 1989.

4.6 Head 52 - Appropriation Statement

Funds allocated under Head 52 - Charges on Account of Public Debt were for the repayments of domestic and overseas loans.

Expenditures totalling \$744.3 million was incurred under Head 52 in 2023 against a revised budget of \$760.7 million, resulting in an unutilised budget of \$16.4 million or 2.16%.

Details of expenditures against the revised budget are provided in Table 4.4 below.

Table 4.4: Head 52 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Finance Charges on Public Debt					
12	Miscellaneous Payment	7,200,000	7,200,000	1,714,642	5,485,358
14	Overseas Loans	217,594,600	217,594,600	206,563,211	11,031,389
15	Domestic Loans	535,936,600	535,936,600	536,034,528	(97,928)
	TOTAL	760,731,200	760,731,200	744,312,381	16,418,819

The unutilised budget resulted mainly from the following:

- the reduction in short term yields as compared to prior years.
- significant increase in the reference rate (SOFR) which increased by 133% at the end of the fiscal year compared to the beginning of the year.
- For domestic loans, interest payments were above budget due to the increase in bond issuance in the first six months.

4.7 Trading & Manufacturing Account (TMA)

Trading & Manufacturing Accounts are government owned entities that are operated on a semi-commercial basis and within the limits of a prescribed ceiling set by the Minister to provide goods, services or works cost effectively, whilst increasing the returns that are realised from them. The Ministry of Finance operated two TMAs which included the following:

(a) Fiji Procurement Office (FPO)

The FPO TMA is designed to assist with the procurement and logistic service requirements in line with the Ministry of Finance's objectives. FPO sells official Fiji flags, charges for tender documentation fees, levies accounts and administrative charges to ministries for payment services and logistic service charges for customs clearance of imported goods and delivery of items from ports to agency site.

The activities associated with the Fiji Procurement Office TMA accounts are closed and the activities has been transferred to the Consolidated Fund Account in the 2023 financial year.

Details of Trading and Manufacturing Account – FPO are provided in Tables 4.5 – 4.7 below.

Table 4.5: Trading Account (FPO July 2023)

Description	31 July 2023 (\$)	31 July 2022 (\$)
Sales	---	165,705
Less: Cost of Finished Goods Sold	---	(18,943)
Gross Profit	---	146,762

Table 4.6: Profit and Loss Account (FPO July 2023)

Description	31 July 2023 (\$)	31 July 2022 (\$)
Income		
Gross Profit Transferred from Trading Account	---	146,762
Expenses		
Office upkeep and supplies	---	41
Net Profit	---	146,721

Table 4.7: Balance Sheet (FPO July 2023)

Description	31 July 2023 (\$)	31 July 2022 (\$)
Equity		
TMA Surplus Transferred to Consolidated Fund	---	(8,974,178)
TMA Accumulated Surplus	---	9,584,506
Net Profit	---	146,721
Total Equity	---	757,049
Assets		
Cash at Bank	---	676,292
Inventory	---	85,147
Total Assets	---	761,439

Description	31 July 2023 (\$)	31 July 2022 (\$)
Liabilities		
VAT Liability	---	4,390
Total Liabilities	---	4,390
Net Assets	---	757,049

(b) Office Accommodation

The Office Accommodation TMA provides housing for eligible civil servants. In 2009, the responsibility of the function was extended to commercial rental to interested members of the public resulting in the establishment of the TMA in 2011. The TMA is solely responsible for the semi-commercial nature that caters for commercially renting out of quarters.¹

The activities associated with the Office Accommodation TMA accounts are closed and the activities has been transferred to Consolidated Fund Account in the 2023 financial year.

Details of Trading and Manufacturing Account – Office Accommodation are provided in Tables 4.8 – 4.9 below.

Table 4.8: Profit and Loss Account (Office Accommodation July 2023)

Description	31 July 2023 (\$)	31 July 2022 (\$)
Income		
Rental from Quarters	---	4,328,844
Expenses		
Other Expenses	---	1,483,964
Net Profit	---	2,844,880

Table 4.9: Balance Sheet (Office Accommodation July 2023)

Description	31 July 2023 (\$)	31 July 2022 (\$)
Equity		
TMA Surplus Capital Transferred to Consolidated Fund	---	(18,965,736)
TMA Accumulated Surplus	---	21,023,581
Net Profit	---	2,844,880
Total Equity	---	4,902,725

¹ Office Accommodation & Government Housing, Construction Implementation Unit, Ministry of Finance TMA Business Plan 2016

Description	31 July 2023 (\$)	31 July 2022 (\$)
Assets		
Cash at Bank	---	3,315,969
Accounts Receivable	---	1,707,274
Total Assets	---	5,023,243
Liabilities		
Accounts Payable	---	---
Deferred Income & Accrued Expense	---	59,589
Deposits & Deductions	---	193,588
VAT Liability	---	(132,659)
Total Liabilities	---	120,518
Net Assets	---	4,902,725

4.8 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account. The Ministry of Finance maintained and operated eleven main trust fund accounts which included the following:

(a) Climate Action Trust Fund Account.

The Climate Action Trust Fund Account was established to assist the Government to finance programmes, projects and activities that relate to the Paris Agreement and for related matters. As at 31 July 2023, the account had a balance of \$3.99 million.

Details of Climate Action Trust Fund Account are provided in Tables 4.10 below.

Table 4.10: Climate Action Trust Fund Account -Statement of Receipts and Payments

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	5,569,301	4,612,744
Receipts		
Donations	1,010,330	1,775,004
Refunds	---	26,107
Total Receipts	1,010,330	1,801,111
Payments		
Conference cost	84,884	556,866
Travel Related Costs	44,825	212,584
Staff Related Costs	---	51,262
Other Outreach	2,903	23,751
Bank Charges	94	91

Description	31 July 2023 (\$)	31 July 2022 (\$)
Audit Fees	41,297	---
Blue Accelerator	1,468,040	---
Drua- Grant Payments	950,000	---
Total Payments	2,592,043	844,554
Closing Balance as at 31 July	3,987,588	5,569,301

Donations amounting to \$1,010,330 was recorded as trust receipt.

A sum of \$2,592,043 was paid out from the trust of which 57% were related to the Accelerator Grant Scheme.

(b) Performance Bond Trust Fund Account

Performance Bond Trust Fund Account records the amount paid by contractors as performance bond in accordance with signed contracts above \$50,000 as security for the faithful performance of the contracts. As at 31 July 2023, the account had a balance of \$5.1 million.

Details of Performance Bond Trust Fund Account are provided in Tables 4.11 below.

Table 4.11: Performance Bond Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	5,030,860	5,403,483
Receipts		
Tender Deposit	36,500	98,920
Performance Bond	198,780	94,974
Interest	425	5,251
Total Receipts	235,705	199,145
Payments		
Tender and Performance Bond Refunds	214,910	571,679
Bank charges	28	89
Total Payments	214,938	571,768
Closing Balance as at 31 July	5,051,627	5,030,860

A sum of \$235,705 was recorded as trust receipts of which 84% were from Performance Bond.

A sum of \$214,938 was paid out from the trust of which 99.9% related to tender and performance bond refunds.

(c) Climate Relocation of Communities Trust Fund Account

The Climate Relocation of Communities Trust Fund Account was established for the planned relocation of communities in Fiji that are adversely affected by climate change. As at 31 July 2023, the account had a balance of \$3.0 million.

Details of Climate Relocation of Communities Trust Fund Account are provided in Tables 4.12 below.

Table 4.12: Climate Relocation of Communities Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	722,435	---
Receipts		
Proceeds	2,321,712	722,490
Total Receipts	2,321,712	722,490
Payments		
Bank charges	60	55
Total Payments	60	55
Closing Balance as at 31 July	3,044,087	722,435

A sum of \$2,321,712 was recorded as trust receipts and these were proceeds from the 3% of ECAL.

(d) Public Private Partnership Trust Fund Account

The Public Private Partnership Trust Fund Account was established to facilitate the upgrade, development, operations and maintenance of Lautoka and Ba hospitals. As at 31 July 2023, the account had a balance of \$0.9 million.

Details of Public Private Partnership Trust Fund Account are provided in Tables 4.13 below.

Table 4.13: Public Private Partnership Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	---	---
Receipts		
Transfer	71,477,234	---
Donation	1,681	---
Total Receipts	71,478,915	---
Payments		
Bank charges	209	---
Transfer	70,619,119	---
Total Payments	70,619,328	---
Closing Balance as at 31 July	859,587	---

A sum of \$71,478,915 was recorded as trust receipts of which 99.9% were received from Government's Operating Fund account while a total of \$70,619,328 was paid out from the trust fund account.

(e) Tropical Cyclone Yasa Fund Account

Tropical Cyclone Yasa trust fund was established for donations received from various donors for Cyclone Yasa. Donors would directly deposit into the respective bank accounts. As at 31 July 2023, the Trust Fund account had a balance of \$0.26 million.

Details of Tropical Cyclone Yasa Trust Fund Account are provided in Tables 4.14 below.

Table 4.14: Tropical Cyclone Yasa Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	255,147	115,973
Receipts		
Donations	170	139,029
Interest	6	161
Total Receipts	176	139,190
Payments		
Bank charges	---	16
Total Payments	---	16
Closing Balance as at 31 July	255,323	255,147

(f) Government Tuna Stabilisation Trust Fund Account

This trust fund was established to facilitate the Tuna Stabilisation Fund (TSF) Policy. The underlying purpose of the TSF policy is to assist locally owned fishing companies by providing funding assistance to the fishing companies that are locally owned and/or controlled. The fund was created to assist these companies raise their financial capacity to compete with foreign fishing companies that receive large subsidies from foreign Governments. As at 31 July 2023, the account had a balance of \$0.36 million.

Details of Government Tuna Stabilisation Trust Fund Account are provided in Tables 4.15 below.

Table 4.15: Government Tuna Stabilisation Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	363,958	362,113
Receipts		
Interest	---	2,117
Total Receipts	---	2,117
Payments		
Bank Charges	60	272
Total Payments	60	272

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	363,958	362,113
Receipts		
Interest	---	2,117
Total Receipts	---	2,117
Payments		
Bank Charges	60	272
Closing Balance as at 31 July	363,898	363,958

(g) ODA Performance and Tenancy Bond Trust Fund Account

The Tenancy trust fund account was established to record tenancy bonds for the occupation of quarters on rent. As at 31 July 2023, the account had a balance of \$0.4 million.

Details of ODA Performance and Tenancy Bond Trust Fund Account are provided in Tables 4.16 below.

Table 4.16: ODA Performance and Tenancy Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	178,603	136,153
Receipts		
Tender Deposit	223,938	56,180
Interest	2,634	1,508
Total Receipts	226,572	57,688
Payments		
Tender Refunds	20,971	14,990
Bank Charges	343	248
Total Payments	21,314	15,238
Closing Balance as at 31 July	383,861	178,603

(h) Adopt a School Trust Fund Account

The trust fund was established specifically to record funds received from donors willing to carry out the rehabilitation of schools. As at 31 July 2023, the account had a balance of \$4.2 million.

Details of Adopt a School Trust Fund Account are provided in Tables 4.17 below.

Table 4.17: Adopt a School Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	4,396,976	5,047,261
Receipts		
Interest	2,695	18,262
Total Receipts	2,695	18,262
Payments		
Contractor Payments	200,000	668,485
Bank Charges	62	62
Total Payments	200,062	668,547
Closing Balance as at 31 July	4,199,609	4,396,976

(i) Group Insurance Trust Fund Account

The trust account receives insurance pay outs and facilitate payments to the nominees of the insurance policy holders upon their death after assessments are made. The trust fund account was closed in the 2022 financial year.

Details of Group Insurance Trust Fund Account are provided in Tables 4.18 below.

Table 4.18: Group Insurance Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	---	89,135
Receipts		
Insurance Proceeds	---	---
Total Receipts	---	---
Payments		
Funds Transferred to CFA	---	89,135
Total Payments	---	89,135
Closing Balance as at 31 July	---	---

(j) Miscellaneous Fund and Others Trust Fund Account

The trust fund account was established following a Cabinet decision on “Effective management of trust monies – FIN 60/16” CP (09)72 of 16/06/09. Cabinet approved that the surplus funds in various Agency trust bank accounts be transferred into the Consolidated Trust Fund account. As at 31 July 2023, the account had a balance of \$9.5 million.

Details of Miscellaneous Fund and Others Trust Fund Account are provided in Tables 4.19 below.

Table 4.19: Miscellaneous Trust Fund Account v Others Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	9,528,280	9,464,019
Receipts		
Interest	9,532	64,261
Total Receipts	9,532	64,261
Closing Balance as at 31 July	9,537,812	9,528,280

(k) Accident Compensation Trust Fund Account

This trust fund account was established for the payment of compensation for personal injury and death as a result of an accident in Fiji arising out of and in the course of employment and accidents occurring on any school premises. As at 31 July 2023, the account had a balance of \$25.1 million.

Details of Accident Compensation Trust Fund Account are provided in Tables 4.20 below.

Table 4.20: Accident Compensation Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	28,186,893	32,463,256
Receipts		
ACF Proceeds	15,837,756	9,018,960
Interest	132,531	100,340
Total Receipts	15,970,287	9,119,300
Payments		
ACF Payments	19,035,900	13,351,677
VAT Payments	---	33,436
Bank charges	13,477	10,550
Total Payments	19,049,377	13,395,663
Closing Balance as at 31 July	25,107,803	28,186,893

(I) General Practitioners (GP) Expansion Fund

This trust fund account was established to provide financial assistance to General Practitioners to expand their services into the disadvantaged communities. As at 31 July 2023, the account had a balance of \$27.8 million.

Details of General Practitioners (GP) Expansion Fund Account are provided in Tables 4.21 below.

Table 4.21: GP Expansion Program Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Balance as at 1 August	28,255,852	21,246,281
Receipts		
GP Proceeds	13,267,027	10,802,179
Interest	92,118	230,520
Total Receipts	13,359,145	11,032,699
Payments		
Bank charges	9,930	23,128
Transfers	13,770,068	4,000,000
Total Payments	13,779,998	4,023,128
Closing Balance as at 31 July	27,834,999	28,255,852

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as it impacted on the overall system of control of the Ministry as at 31 July 2023.

The matters discussed below are recurring thus the inclusion of management comments from previous years.

4.9 Recognition of Accounts Receivable for Statutory Authorities

Each agency must maintain a debtors register within FMIS or an accounts receivable ledger for licenses, debts, court fees and other State or agency revenues receivables².

As at 31 July 2023, the Ministry of Finance had recorded Accounts Receivables balance of \$186,331,369 in the FMIS General Ledger (1-04104-04999-560701). It was noted that this balance only relates to the Tax and Customs Revenue arrears for the Fiji Revenue and Customs Service and does not include arrears of revenue recorded by other Statutory Authorities totalling \$56,803,277.

Refer to Table 4.22 below for details.

Table 4.22: Accounts Receivable Not Captured in General Ledger

Statutory Authority	Accounts Receivable 31/07/23 (\$)
Telecommunication Authority of Fiji	5,390,653
Land Transport Authority	22,791,342
Water Authority of Fiji	28,621,282
Total	56,803,277

The above indicate the inconsistency in the application of the accounting policy as the \$56.8 million is currently not recorded in the FMIS general ledger.

Failure to record the above will result in an understatement of the Accounts Receivables balance at year end.

² Finance Instructions 2010 – Sections 40

Recommendation

The Ministry should consider recording all Accounts Receivable recorded by the respective Statutory Authorities at year end in the FMIS General Ledger.

Agreed Management Comments

The recommendation is noted; however, the Ministry will continue with the current arrangement of recording other Statutory Entities arrears of revenue as disclosure notes in the Whole of Government ('WOG') Financial Statements (FS) whilst it continues to liaise with the respective Ministries/Statutory authorities to first have their accounts receivable updated and a clean balance.

This includes devising an action plan (probably a 2-year or 3-year plan) to fully resolved accounting issues related to accounts receivables and a policy guideline going forward. This exercise may result in amending the Financial Management Act 2004 to enhance accountability and transparency. Nevertheless, the Ministry continues to monitor arrears of revenues for Statutory Entities, amongst others, on a quarterly basis.

4.10 Strategic Plan and Operational Plan - Recurring

The responsible authority for a budget sector agency is responsible for the maintenance of an effective system of internal control for money and property; the preparation and provision of annual corporate plans for the agency.³

The audit noted that the strategic and operational plan has been drafted but are yet to be endorsed.

Recommendation

The Ministry should ensure that the Strategic Plan and Costed Operational Plans are approved before the commencement of the financial year.

Prior Year Agreed Management Comments

The Ministry is currently working on its Strategic Plan, which is intended to include the National Development plan for Government through the establishment of the Strategic Planning Office.

The Ministry is tentatively looking at formulating a detailed draft Strategic Plan by the next quarter and should be able to provide a copy to the OAG.

Current Status – Open

There is no approved Operational and Strategic plan for the Ministry of Finance for the financial year 2023.

Current Year Agreed Management Comments

The Ministry is currently working on the Strategic Plan, MoF will conduct a training towards the end of the month (July 2024) to finalise the Strategic Plan. In addition, the Costed Operational Plan for MoF is also in draft stage and will be finalised once it is approved. Both copies of the plan will be submitted to OAG once approved and finalised.

³ Financial Management Act 2004 – Section 28 (g), (h) and (m)

4.11 Expired Tenancy Agreements – Recurring

The audit noted that the tenancy agreements on which a total rental payment of \$9.3 million were based, had expired.

The tenancy agreements do not include a clause on the automatic transition from month-to-month status.

Recommendation

The Ministry should expedite the renewal of the tenancy agreements upon the expiry and ensure that the terms and conditions in the rental agreement is consistent with the other rental agreements.

Prior Year Agreed Management Comments

The Unit is currently in the process of renewing Letting agreements and they are running on a month-to-month basis until renewal/reviews is effected in consideration of budget for Rent of office space. The Unit is negotiating with landlord for renewal of Letting Agreements. Additionally, landlord have been consulted in this matter given most landlords are requesting for rental review and renewals together given the market rental rate in the industry.

Consultations are taking place with landlords given there is no increment to office rental for the last three financial years which is one of the major challenges for the agency; however, the Unit is requesting that extensions be allowed on an annual basis until such time there is increment to office rental vote.

It is important to note that landlords have not filed any litigation against the Ministry, and the property is occupied and paid for on a monthly basis by mutual agreement.

Current Status - Open

A total of \$34.2 million was paid to various landlords for Office space for Government Ministries/Department.

The tenancy agreements for the 48 Office Spaces on which a total rental payment of \$10.6 million were made, had expired in FY 2023.

Current Year Agreed Management Comments

The prior comments remain; however, the Office of the Auditor-General is to note that the MoF no longer handles Tenancy Agreements as this is part of the MCS from FY2023-2024.

MCS is able to renew few Letting Agreements for tenure term of one year. Given the increase in the next financial year's budget under Rent for Office Space, the MCS will holistically review rental and renew Letting Agreements for compliant premises across the board, considering the necessary processes as outlined in the Office Accommodation Policy.

4.12 Recoverability of Accounts Receivables – Recurring

The Accounts Receivable balance for the Office Accommodation as at 31 July 2023 stood at \$1.7 million. This balance relates to the total government quarters rental income being owed by tenants as at year end.

The Accounts Receivable balance in 2023 of \$1.7 million for the Office Accommodation decreased by \$9,622 or 0.6% when compared to 2022 financial year. This balance relates to the total government quarters rental income being owed by tenants as at year end.

Refer to Table 4.23 below for details:

Table 4.23: Office Accommodation Receivables (2019 -2023)

2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)
1,408,569	1,456,680	1,664,256	1,707,274	\$1,697,652

The audit noted the significant amount of accumulated rental income owed by several tenants occupying various Government Quarters.

Delays in recovery of government quarters rental income, poses high risk of rental income becoming irrecoverable.

Recommendations

The Ministry should:

- follow up on the payment of rental income arrears.
- consider taking all available avenues to recover the outstanding rental income.

Prior Year Agreed Management Comments

Tenants with arrears are issued arrears notice and respective cases are forwarded to the Office of the Solicitor General on case-by-case basis to instigate further legal proceedings (Issuance of Notice before Eviction and Recovery Proceedings). Most tenants have vacated without settling their-arrears on proper handing over, whilst some tenants are not in contact which has been one of the biggest challenge the Office Accommodation Unit ("Unit").

However, the Unit is doing its best to explore all avenues to contact/look for default tenants. Turnaround time from the Office of the Solicitor-General in regard to rental recovery and vacation notices delays overall processes given that the Ministry can only rely on the Office of the Solicitor-General for any legal matters/ advice as they have statutory legislated powers for legal matters of government. However, the Unit is constantly liaising with the Office of Solicitor-General and they have issued few Court orders and filed application of affidavit which will assist in vacating and collecting arrears. The Unit is also working with the Debt Unit in regard to aging of Arrears of Revenue, thereafter those debts which is irrevocable can be written-off upon seeking management's concurrence. The Unit is performing monthly reconciliation for tenants who are currently occupying quarters and monthly statements are forwarded along with notification of any arrears.

Current Status - Open

The Office Accommodation Trading and Manufacturing Account was closed off in the 2023 financial year. Upon the closure of the TMA, the Ministry had moved the Accounts Receivable amount to Arrears of Revenue.

It was noted that the Arrears of Revenue amount for Office Accommodation had decreased to \$1,697,652 in financial year 2023.

Our review of the Arrears of Revenue aging report revealed that a total of \$1,136,366.49 or 67% of arrears is more than two years old.

Current Year Agreed Management Comments

Currently, the Office Accommodation and Government Housing Unit ('OAGH') is reconciling monthly rentals under PMWeb - Asset Management Module, and invoices are generated automatically under database with statements forwarded to respective tenants on the amount paid and balance owed. The database assists to keep track of respective tenant's details in terms of both administrative and financial aspects.

Deeds of Settlement are now executed to protect the interest of the government for those tenants who have vacated or made arrangements to settle the same. However, for others Final Eviction Notice has been served and the matter are before the Court on case-by-case basis to instigate final legal action.

Issuance of Notice before Eviction and Recovery Proceedings for tenants are currently in progress and three Court Orders have been issued. Office of Solicitor General is handling the cases and recovery will follow thereafter. Few cases have been called during the Court for which Office of Solicitor General has updated and OAGH will wait for the final decision if it does not go through appeal process.

In addition, the majority of the rental arrears is between 2016 to 2018, as the Unit was primarily engaged on cyclone rehabilitation projects and there was no proper handover during the transition from Public Service Commission to the Ministry of Finance. Also, from FY 2023-2024, this has moved to MCS. On this note, the ageing for the Arrears of Revenue is primarily in more than two years as most tenants had either vacated without proper handing over, had passed away, migrated or there is no form of contact available.

PART C: ASSESSMENT OF FINANCIAL REPORTING

4.13 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virements by 18 August 2023	✗
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 8 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year – end close process assessment
☀ Generally Effective	7 out of 8 key processes were completed by the due date

4.14 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of Finance was:

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

4.15 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
🌿 Effective	Acceptable draft financial statement received on or before 31 October 2023

4.16 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
 Ineffective	After 14 days from the issue of the Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue of Financial Statements for signing

Head 5**Ministry of iTaukei Affairs****Roles and Responsibilities**

The Ministry of iTaukei Affairs provides policy advice relating to the good governance and well-being of the iTaukei including traditional leadership and governance, ownership of land, and natural resource matters. It also provides other support services to the Minister responsible for iTaukei Affairs, who also serves as chairperson of the iTaukei Affairs Board and the iTaukei Lands Trust Board.

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PART A: FINANCIAL INFORMATION

5.1 Financial Information



5.2 Audit Opinion

The audit of the 2023 financial statements of the Ministry of iTaukei Affairs resulted in an unmodified audit opinion.

5.3 Appropriation Statement

The Ministry incurred expenditure totalling \$15.2 million against a revised budget of \$15.5 million resulting in an unutilised budget of \$0.3 million or 1.9%. A total of \$40,958 in revenue was collected in 2023.

Details of expenditures against the revised budget are provided in Table 5.1 below.

Table 5.1: Head 5 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,496,737	(273,455)	3,223,282	3,050,756	172,526
2	Government Wage Earners	224,771	77,550	302,321	266,784	35,537
3	Travel & Communication	150,500	95,010	245,510	242,388	3,122
4	Maintenance & Operations	396,000	156,467	552,467	527,947	24,520
5	Purchase of Goods & Services	217,618	57,898	275,516	267,992	7,524

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	9,659,114	---	9,659,114	9,658,461	653
7	Special Expenditure	621,234	(32,365)	588,869	580,576	8,293
	Total Operating Expenditure	14,765,974	81,105	14,847,079	14,594,904	252,175
10	Capital Grants & Transfer	546,000	---	546,000	535,179	10,821
	Total Capital Expenditure	546,000	---	546,000	535,179	10,821
13	Value Added Tax	124,610	17,870	142,480	112,328	30,152
	TOTAL	15,436,584	98,975	15,535,559	15,242,411	293,148

PART B: ASSESSMENT OF FINANCIAL REPORTING

5.4 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of Virements by 18 August 2023	✓
Retirement of Imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of Payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	NA
Closing date for Journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
● Effective	All 7 key processes were completed by the due date

5.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of iTaukei Affairs was:

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

5.6 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
• Effective	Acceptable draft financial statements received on or before 31 October 2023

5.7 Timeliness of Provision of Management Comments and Signing of Financial Statements

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
• Effective	Within 14 days from the issue of Financial Statements for signing

Head 6

Ministry of Home Affairs**Roles and Responsibilities**

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

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PART A: FINANCIAL INFORMATION

6.1 Financial Information



6.2 Audit Opinion

The audit of the 2023 financial statements for the Ministry of Home Affairs resulted in an unmodified audit opinion.

6.3 Appropriation Statement

The Ministry incurred expenditures totalling \$15 million against a revised budget of \$15.1 million resulting in an unutilised budget of \$0.1 million or 1 %. A total of \$6,792 in revenue was collected in 2023.

Details of expenditures against the revised budget are provided in Table 6.1 below.

Table 6.1: Head 6 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,056,693	(88,930)	967,763	903,936	63,827
2	Government Wage Earners	253,236	34,000	287,236	278,275	8,961
3	Travel & Communications	175,000	18,800	193,800	193,442	358
4	Maintenance & Operations	228,604	(53,205)	175,399	165,390	10,009

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
5	Purchase of Goods & Services	276,200	(60,605)	215,595	204,917	10,678
6	Operating Grants & Transfers	12,462,688	200,000	12,662,688	12,660,846	1,842
7	Special Expenditure	390,000	149,940	539,940	534,264	5,676
	Total Operating Expenditure	14,842,421	200,000	15,042,421	14,941,070	101,351
8	Capital Construction	---	---	---	---	---
	Total Capital Expenditure	---	---	---	---	---
13	Value Added Tax	96,300	---	96,300	63,380	32,920
	TOTAL Expenditure	14,938,721	200,000	15,138,721	15,004,450	134,271

PART B: ASSESSMENT OF FINANCIAL REPORTING

6.4 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virements by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✗
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✗
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 8 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
☀ Generally effective	6 out of 8 key processes were completed by the due date


6.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of Home Affairs was:

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

6.6 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
 Effective	Acceptable draft financial statements received on or before 31 October 2023

6.7 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
 Ineffective	After 14 days from the issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue of Financial Statements for signing

Section 7

Ministry of Employment, Productivity and Industrial Relations

Roles and Responsibilities

The Ministry of Employment, Productivity and Industrial relations promotes and advances the rights of workers and employers, and administers and enforces the Employment Relations Promulgation 2007, Health and Safety at Work Act 1997, National Employment Centre Act 2009 and the Workers Compensation Act (Cap. 94).

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PART A: FINANCIAL INFORMATION

7.1 Financial Information



7.2 Audit Opinion

The audit of the 2023 financial statements of the Ministry of Employment, Productivity and Industrial Relations resulted in an unmodified audit opinion with an other matter paragraph.

The other matter paragraph was on the Internal control weaknesses relating to cash receipting, banking and recording for the National Occupation Health and Safety Education and Accident Prevention Trust Fund.

7.3 Appropriation Statement

The Ministry incurred expenditures totalling \$7.3 million against a revised budget of \$9.8 million resulting in an unutilised budget of \$2.5 million or 26%. A total of \$6,436 was collected in revenue.

Details of expenditures against the revised budget are provided in Table 7.1 below.

Table 7.1: Head 7 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	6,268,740	(220,000)	6,048,740	4,958,686	1,090,054
2	Government Wage Earners	354,262	---	354,262	309,586	44,676
3	Travel & Communication	334,750	---	334,750	231,687	103,063

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
4	Maintenance & Operations	487,300	30,000	517,300	368,694	148,606
5	Purchase of Goods & Services	439,097	---	439,097	262,809	176,288
6	Operating Grants & Transfers	100,540	220,000	320,540	149,554	170,986
7	Special Expenditure	933,445	(30,000)	903,445	439,920	463,525
	Total Operating Expenditure	8,918,134	---	8,918,134	6,720,936	2,197,198
10	Capital Grants and Transfers	900,000	(148,579)	751,421	534,162	217,259
13	Value Added Tax	197,490	---	197,490	91,601	105,889
	TOTAL	10,015,624	(148,579)	9,867,045	7,346,699	2,520,346

The unutilised budget resulted mainly from the following:

- Vacant positions not being filled.
- most expenses for the labour mobility programme was funded by the Pacific Labour Fund.
- less number of cases related to workmen compensation.

7.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account. The Ministry of Employment, Productivity and Industrial Relations operated and maintained the following main trust accounts:

7.4.1 National Occupational Health & Safety Education and Accident Prevention Trust Fund

A liability account responsible for the promotion of OHS and enforcement of the *Health and Safety at Work Act 1996* and its subsidiary legislations. This Service aims to promote and maintain a working environment, which is healthy and safe for both workers and employers and directly contributes to improved productivity.

As at 31 July 2023, the account had a balance of \$13.5 million. Details of Trust Receipts and Payments for National Occupational Health & Safety Education and Accident Prevention Trust Fund are provided in Table 7.2 below.

Table 7.2: National Occupational Health & Safety Education and Accident Prevention Trust Fund Account Statement of Receipts and Payments

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
Business License	43,595	32,529
Business and Liquor License	23,998	11,488
Chemical Registration	3,670	3,986
General Workplace Inspection	174,985	142,799

Description	31 July 2023 (\$)	31 July 2022 (\$)
Hotel License	12,835	4,345
OHS Consultancy	128,250	43,412
OHS Design Vetting	79,336	71,956
OHS Training	165,649	56,700
Penalty Notice	49,390	4,900
Plant Registration	60,293	24,249
Statutory Inspection	402,584	384,561
Workplace Commissioning	25,559	8,462
Workplace Registration	244,246	256,218
Bank Interest	41,045	115,523
FMIS Adjustment	1,170	119,956
Non-Destructive Training Inspection	7,919	4,180
Total Receipts	1,464,524	1,285,264
PAYMENTS		
VAT Payments	108,083	81,938
Withholding Tax	4,105	11,552
Bank Fees	876	860
Adjustments	3,060	119,956
Other Payments	47,543	38,293
Total Payments	163,667	252,599
Net Surplus	1,300,857	1,032,665
Balance as at 1 August	12,174,847	11,142,182
Closing Balance as at 31 July	13,475,704	12,174,847

A sum of \$1.5 million was recorded as trust receipts of which 76% were proceeds from General workplace and statutory inspection, workplace registration, OHS training and consultancy.

A sum of \$0.16 million was paid out from the trust of which 67% were for VAT payments.

7.4.2 Employment Relations Agency Trust Fund Account

A liability account whereby when employment disputes and grievances are not resolved by the Mediation Service, the Employment Relations Tribunal assists employers or their representatives and workers or their representative trade union by adjudicating and determining the grievance or dispute between parties. In adjudication proceedings, there is also a requirement on the Tribunal to provide mediation assistance to the disputing parties when the need arises. In this regard the Tribunal assists disputing parties to amicably settle matters, and these settlements are documented as binding awards or decisions.

As at 31 July 2023, the account had a balance of \$0.8 million. Details of Trust Receipts and Payments for Employment Relations Agency Trust Fund are provided in Table 7.3 below.

Table 7.3: Employment Relations Agency Trust Fund Account Statement of Receipts and Payments

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
LMCC Registration & Training	19,510	9,770
Wages Regulation Order – Photocopying	---	7
Court Fees	---	270
Agency Fee	1,000	---
Fixed Penalty	19,100	18,000
Employment Agency Application	42,000	42,000
Fine Costs	2,400	1,680
Search Fees	87	59
Conference Room	100	---
Amendment Constitution	200	250
Incorrect Deposits	864	1,622
Adjustment	101	---
Total Receipts	85,362	73,658
PAYMENTS		
OHS and Workmen's Compensation Trust	---	2,246
Adjustment Posting	200	1,020
Employment Relation Tribunal Cost	---	500
Bank Fee	42	43
Total Payments	242	3,809
Net Surplus	85,120	69,849
Balance as at 1 August	756,860	687,011
Closing Balance as at 31 July	841,980	756,860

A sum of \$85,362 was recorded as trust receipts of which 94% were from employment agency, application, LMCC registration and training and fixed penalties.

7.4.3 National Employment Centre Trust Fund Account:

The National Employment Centre operates under the National Employment Centre Act 2009. The Centre is responsible for providing employment skills training and facilitating employment opportunities for the unemployed. The Centre offers 3 services – Formal Employment Service, Foreign Employment Service and Fiji Volunteer Service. Unemployed persons who register under the National Employment Centre undertake professional counselling, aptitude assessment, life skills training and are trained in the relevant employment skills demanded by the labour market.

Moreover, the Centre provides opportunities for the unemployed to do volunteer services, work attachment, and facilitates opportunities for employment both locally and internationally.

The Ministry is working on closing the account hence there was minimal activity in this trust account during the year.

As at 31 July 2023, the account had a balance of \$0.2 million. Details of Trust Receipts and Payments for National Employment Centre Trust Fund are provided in Table 7.4 below.

Table 7.4: National Employment Centre Trust Fund Account Statement of Receipts and Payments

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
NEC Trust Fund Receipts	---	---
Total Receipts	---	---
PAYMENTS		
Bank Fees	70	110
Total Payments	70	110
Net Deficit	(70)	(110)
Balance as at 1 August	228,096	228,206
Closing Balance as at 31 July	228,026	228,096

7.4.4 Occupational Health and Safety (OHS) Consultancy Services, Workmen's Compensation and Wages Dispute Trust Fund Account

7.4.4.1 Work Compensation Trust Account

A liability account and the Workmen's Compensation Act (Cap. 94) place on employers the legal responsibility to compensate workers who sustain injuries, lose their lives or contract diseases in the course of their employment. Compensation is through monetary payments and medical care provisions for the injured workers. Cases involving the death of a worker, monetary payments are given to the dependents of the deceased worker.

7.4.4.2 Wages Dispute Trust Account

A liability account and the Wages Unit is responsible for setting minimum wages and other terms and conditions of employment in Fiji's employment sector. It ensures workers are provided with the stipulated Wages Regulations terms and conditions. Any payment received from employer after dispute on wages is resolved by the Wages unit and is paid out to the respective employee.

Details of Trust Receipts and Payments for OHS Consultancy Services, Workmen's Compensation and Wages Dispute Trust Fund are provided in Table 7.5 below.

Table 7.5: OHS Consultancy Services, Workmen's Compensation and Wages Dispute Trust Fund Account Statement of Receipts and Payments

Description	31 July 2023 (\$)	31 July 2022 (\$)
RECEIPTS		
<u>Workmen's Compensation</u>		
Compensation receipts	275,407	521,565
Bank Fees	59	778
FMIS Adjustment	18,712	76,342
Total	294,178	598,685
<u>Wages Dispute</u>		
Wages dispute receipts	265,003	184,406
FMIS Adjustment	---	1,059
Total	265,003	185,465
Total Receipts	559,181	784,150
PAYMENTS		
<u>Workmen's Compensation</u>		
Compensation Payments	281,555	789,283
Bank Fees	285	312
Cheque Payments	222	---
FMIS Adjustment	21,715	27,263
Total	303,777	816,858
<u>Wage Dispute</u>		
Adjustments	8,119	---
Dispute Payments	254,451	143,640
Total	262,570	143,640
Total Payments	566,347	960,498
Net Deficit	(7,166)	(176,348)
Balance as at 1 August	692,642	868,990
Closing Balance as at 31 July	685,476	692,642

A sum of \$559,181 was recorded as trust receipts of which 97% were proceeds from workmen's compensation and wages disputes.

A total of \$566,347 was paid out for workmen's compensation and wages disputes.


PART B: ASSESSMENT OF FINANCIAL REPORTING

7.5 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023		Processing of virements by 18 August 2023	
Retirement of imprests by 14 July 2023		Completion of reconciliations by 25 August 2023	
Processing of payments by 28 July 2023		Submission of arrears of revenue return by 25 August 2023	
Closing date for journal adjustments by 17 August 2023		Clearance of Inter-departmental clearance accounts by 8 August 2023	

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
 Generally effective	7 out of 8 key processes were completed by the due date


7.6 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of Employment, Productivity and Industrial Relations was:

Rating	Quality of draft financial statements assessment
 Effective	No adjustment required

7.7 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
 Effective	Acceptable draft financial statements received on or before 31 October 2023

7.8 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
★ Effective	Within 14 days from the issue of Financial Statements for signing

Head 8**Ministry of Foreign Affairs****Roles and Responsibilities**

The Ministry of Foreign Affairs is responsible for implementing Fiji's foreign policy by maintaining and strengthening Fiji's diplomatic relations, building bridges of cooperation with development partners, and growing trade with other nations.

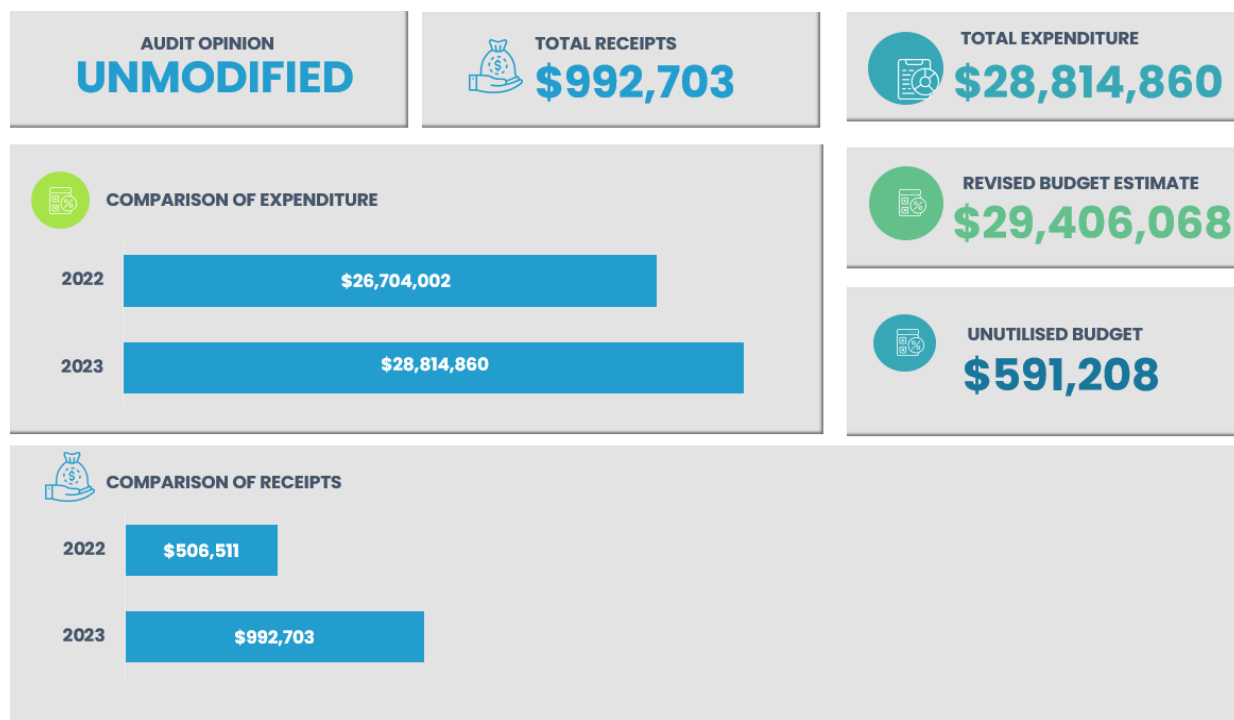
The Ministry also provides consular services to Fijians living overseas and helps coordinate high-level meetings and visits to Fiji, including conferences hosted on our shores.

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PART A: FINANCIAL INFORMATION

8.1 Financial Information



8.2 Audit Opinion

The audit of the 2023 financial statements of the Ministry of Foreign Affairs resulted in an unmodified audit opinion with an other matter paragraph.

The other matter paragraph included the following:

- Unreconciled variances amounting to \$1,560,170 existed between the FMIS general ledger balance for Overseas Cash of \$3,622,437 and the respective Overseas Missions' bank reconciliation statements balance of \$2,062,267.
- Internal controls weaknesses were found to be weak for the Wellington Mission with respect to the non-submission of journal vouchers and supporting documentations and receipts for certain months. These internal control weaknesses, if not addressed promptly, may result in material misstatement and possible financial losses in the future.
- Bank audit certificates for the Canberra, London, Wellington, Beijing, New York and Jakarta Missions were not provided for audit verification.
- Operating trust amounting to \$1,030,046 or 64% of the total operating trust have been carried forward from the previous year without any movement.

8.3 Appropriation Statement

The Ministry incurred expenditures totalling \$28.8 million against a revised budget of \$29.4 million, resulting in an unutilised budget of \$0.6million or 2%. A total of \$992,703 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 8.1 below.

Table 8.1: Head 8 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	10,596,950	(1,258,464)	9,338,486	9,290,784	47,702
2	Government Wage Earners	2,547,556	117,692	2,665,248	2,641,029	24,219
3	Travel & Communication	1,274,679	923,672	2,198,351	2,160,330	38,021
4	Maintenance & Operations	6,509,036	1,976,178	8,485,214	8,392,070	93,144
5	Purchase of Goods & Services	1,079,864	102,677	1,182,541	1,100,012	82,529
6	Operating Grants & Transfers	5,314,083	(883,793)	4,430,290	4,413,899	16,391
7	Special Expenditure	680,000	(156,362)	523,638	466,151	57,487
	Total Operating Expenditure	28,002,168	821,600	28,823,768	28,464,275	359,493
8	Capital Construction	1,000,000	(500,000)	500,000	268,640	231,360
	Total Capital Expenditure	1,000,000	(500,000)	500,000	268,640	231,360
13	Value Added Tax	948,900	(866,600)	82,300	81,945	355
	TOTAL	29,951,068	(545,000)	29,406,068	28,814,860	591,208

The unutilised budget resulted from the delay in the implementation of projects.

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as they had impacted the overall system of control of the Ministry as at 31 July 2023.

8.4 Weaknesses in Internal Control for Wellington Mission – Recurring

The Head of Mission shall ensure that all Mission's monthly acquittals are submitted in a timely manner.⁵

Payment vouchers are to be recorded in an Expenditure Record (soft copy and hard copy). At the end of each month, a summary of Mission's expenditure and commitment statement to be submitted as part of the monthly report. The statement shall be submitted to HQ for inclusion into the monthly management report.⁶

The Revenue Collector shall maintain a revenue cash/cheque register in which he/she shall enter on a daily basis. The Monthly Revenue Statement shall be included as part of the Monthly Finance Report.⁷

The Head of Mission shall ensure that Bank Reconciliations must be submitted with relevant acquittals and received by Head Quarters on the 3rd of every month.⁸

Contrary to the Ministry of Foreign Affairs – Overseas Missions Finance Guideline (2019), the audit noted the following anomalies:

- Journal vouchers in relation to revenue totalling \$131,225 were not provided for audit verification.
- Supporting documents such as Revenue Collectors Cash Analysis Sheet and bank lodgements for the months of August, October and November 2022, January, February, and April – July 2023 were not provided for audit verification.
- Bank Statement for the month of February was not provided for audit verification;
- Receipts for the month of November, January, February, April, May, June and July totalling \$18,203 were not provided for audit verification.
- there was incorrect posting of receipts totalling \$28,119. The receipts for the months of July 2022 and August 2022 were posted to the February acquittals which were supposed to be posted to its respective months' acquittals.

⁵ Overseas Missions Finance Guideline 2019 – Section 2.13

⁶ Overseas Missions Finance Guideline 2019 – Section 2.13

⁷ Overseas Missions Finance Guideline 2019 – Section 4.7 and 4.8

⁸ Overseas Missions Finance Guideline 2019 – Section 5.16

Poor records management and inadequate supervision in the Accounts Section of the Mission is a contributing factor to the above findings, hence increases the risk of misappropriation of funds without being detected.

Recommendations

The Ministry should ensure that:

- **supervision and proper monitoring of accounting responsibilities is improved.**
- **accounting records should be properly maintained as evidence of the utilisation of funds and should be readily available for audit verifications.**
- **expenditures are properly supported with documentary evidence before they are processed for payments.**
- **proper records management is established to ensure systematic storage that will allow easy identification and retrieval of documents and records.**
- **bank reconciliations are performed at the end of each month by a competent officer and reviewed by a Senior Officer independent of the preparer.**
- **receipts, payment vouchers and bank reconciliation statements are provided for audit verification.**

Agreed Management Action

A dedicated Finance Officer and a Consular Officer from Headquarters has been deployed to the Mission to facilitate all financial and consular works. The appointment of the new First Secretary is an added action in terms of overseeing the Missions finances.

8.5 SAG 51 – Variance between FMIS GL and Bank Reconciliation Statement - Recurring

All bank accounts must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁹

The following anomalies were noted from the review of the Overseas Mission Cash accounts records:

- Variances amounting to \$1.6 million were noted between the FMIS general ledger and the Ministry's bank reconciliation statements. Refer to Table 8.2 for details.
- The Fiji Consulate General Sydney was closed and transferred to the Ministry of Industry, Trade & Tourism in 2016. However, the cash balance of \$0.9m continued to be reflected under Head 8 – Ministry of Foreign Affairs FMIS general ledger.
- The Government had closed the foreign missions in Ethiopia (Adis Ababa) Brazil, Brussels, Seoul and Kuala Lumpur had closed in 2020 and 2021 respectively. The cash balances totalling \$912,136 continued to be reflected in the Ministry's FMIS general ledger.
- The Independent Bank Audit Certificates (BAC's) or bank confirmations to confirm the existence assertions for cash in banks for missions in Canberra, London, Wellington, Beijing, New York, and Jakarta were not provided for audit verification.

⁹ *Finance Instruction 2010, Section 32(6)*

Table 8.2: Variance between FMIS GL and Reconciliation Statement

Account	FMIS GL (\$)	Reconciliation Statement (\$)	Variance (\$)
Canberra Cash	418,366	379,787	38,579
London Cash	936,232	283,611	652,621
Tokyo Cash	331,168	213,799	117,369
Wellington Cash	611,699	367,860	243,839
Beijing USD	341,915	102,384	239,531
Beijing RMB Cash	(394,069)	5,557	(399,626)
New York Cash	409,161	53,875	355,286
Geneva Cash	50,709	14,644	36,065
Abu Dhabi Cash	881,566	425,856	455,710
Jakarta USD	273,811	713	273,098
Jakarta Rupiah	(272,652)	676	(273,328)
New Delhi USD	(60,739)	149,868	(210,607)
New Delhi Rupee	95,270	63,637	31,633
Total	3,622,437	2,062,267	1,560,170

The above findings indicate the lack of supervisory checks of postings made to the FMIS general ledger and the delay in regularisation of the accumulated variance from past years may be a contributing factor to the above variances.

Recommendations

The Ministry should ensure to:

- expedite the process in reconciling the balances as per the FMIS GL and the bank reconciliation statement.
- liaise with Ministry of Finance to transfer the general ledger balances for Fiji Consulate General Sydney to the correct Appropriation Heads and adjust the FMIS General Ledger balances for foreign missions that are closed.
- ensure that Bank Audit Certificates are provided to the audit.

Agreed Management Action

The Ministry is working in line with the Ministry of Finance on an exercise that is currently being processed on the book adjustments of variance in SAG51. The variance is expected to be adjusted in 2023-2024 financial year.

PART C: ASSESSMENT OF FINANCIAL REPORTING

8.6 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✗	Processing of virement by 18 August 2023	✗
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Clearance of Inter-departmental clearance accounts by 8 August 2023	✗
Closing date for journal adjustments by 17 August 2023	✓	Submission of arrears of revenue returns by 25 August 2023	n/a

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
☀ Generally effective	4 out of 7 key processes were completed by the due date

8.7 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of Foreign Affairs was:

Rating	Quality of draft financial statements assessment
☠ Ineffective	Adjustments on operating results/ net assets were more than one percent

8.8 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
☠ Ineffective	Acceptable draft financial statements received after 31 October 2023

8.9 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
• Effective	Within 14 days from the issue of Financial Statements for signing

Head 9**Judicial Department****Roles and Responsibilities**

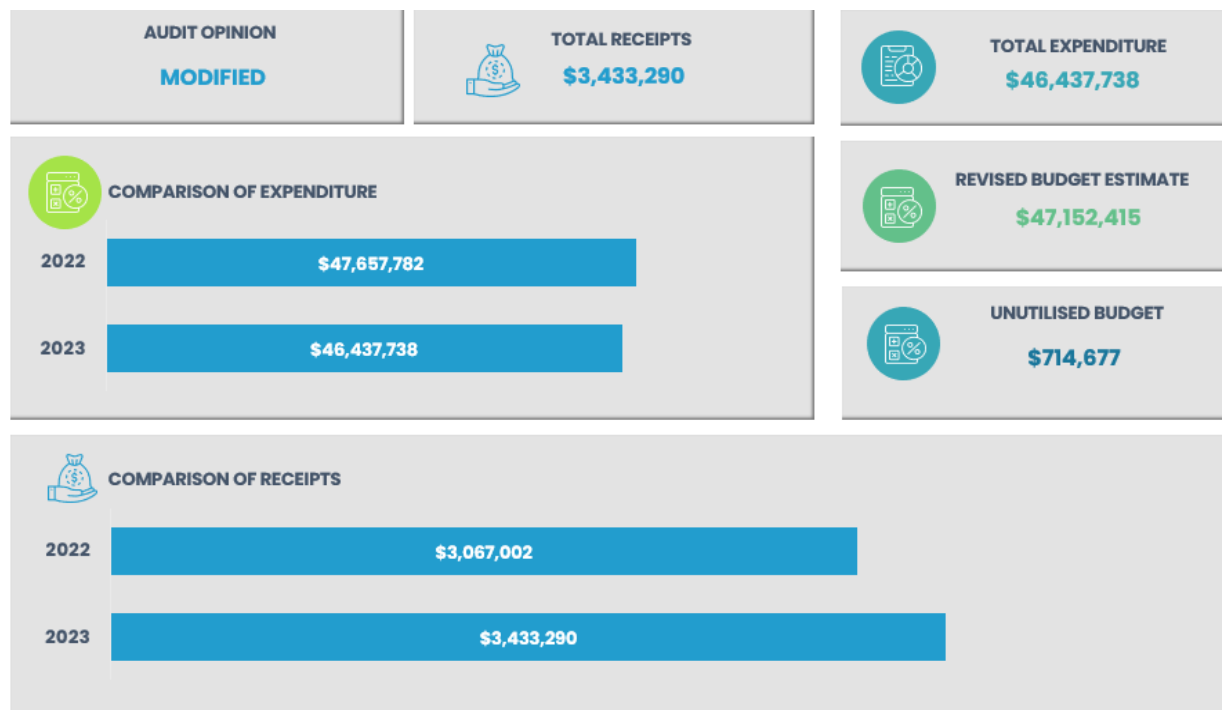
The Judicial Department is responsible for enhancing the quality of justice in the community by ensuring an effective and accessible Court System as the cornerstone of Justice. The Court System will uphold the principles of impartiality, equality, fairness and access, while protecting the dignity and rights of all members of the community. In line with the Constitution of the Republic of Fiji 2013, Chapter 5, Part A 97 (2), the courts and all judicial officers are subject only to the Constitution of the Republic of Fiji and the law, which they must apply without fear, favor or prejudice.

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PART A: FINANCIAL INFORMATION

9.1 Financial Information



9.2 Audit Opinion

The audit of the 2023 financial statements of the Judicial Department resulted in a modified audit opinion based on the following qualification:

There was a significant lapse in the years of reconciliations and the absence of detailed breakdown listings of beneficiaries and their respective current balances except for Suitors Trust Fund Account. As a result, the accuracy of the closing balance reflected in the Judicial Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2023 could not be determined.

9.3 Appropriation Statement

The Department incurred expenditures totalling \$46.4 million against a revised budget of \$47.1 million resulting in unutilised budget of \$0.7 million or 1.5%. A total of \$3.4 million in revenue was collected by the Department.

Details of expenditure against the revised budget are provided in Table 9.1.

Table 9.1: Head 9 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	---	---	---	---	---
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	---	---	---	---	---
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	---	---	---	---	---
6	Operating Grants & Transfers	47,152,415	---	47,152,415	46,437,738	714,677
7	Special Expenditure	---	---	---	---	---
	Total Operating Expenditures	47,152,415	---	47,152,415	46,437,738	714,677
8	Capital Construction	---	---	---	---	---
9	Capital Purchases	---	---	---	---	---
	Total Capital Expenditure	---	---	---	---	---
13	Value Added Tax	---	---	---	---	---
	TOTAL EXPENDITURE	47,152,415	---	47,152,415	46,437,738	714,677

9.4 Main Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Judicial Department operates and maintains 3 main trust fund bank accounts which include the Judicial Trust Fund Account, the Judiciary Trust Fund Account and the Legal Practitioners Unit Fund Account.

The Trust Fund Account Statement of Receipts and Payments are now presented separately for transparency purposes and to correctly reflect the trust monies received and paid out of the three separate bank accounts maintained for the various trust funds being administered by the Department.

9.4.1 Judicial Trust Fund Account

The Judicial Trust Account consisted of four trust fund accounts. They are: Suitor's Trust, Maintenance Trust, Sundries Trust and Retention for Project Funds.

- 1) The Suitors Trust comprise of monies received from FNPF on behalf of the deceased who did not have nominees for their FNPF accounts, Criminal and Civil cases related matters. The Suitors Trust Account are administered only at Suva, Lautoka and Labasa office.
- 2) The Maintenance Trust comprise of monies received from maintenance payments by defendants to their spouses based on the judgements passed by the Family Law Court. The Maintenance Trust are administered at stations as follows: Suva, Sigatoka, Nadi, Lautoka, Ba/Tavua/Rakiraki, Nausori, Nasinu, Taveuni, Labasa, Savusavu and Levuka.
- 3) The Sundries Trust comprise of monies received from Civil and Criminal cases based on court judgements. These includes compensations, LTA fines, cash bail, court fees, bailiff fees and small claims. The Sundries Trusts are administered at stations as follows; Suva, Nasinu, Nausori, Rakiraki/Tavua/Ba, Lautoka, Nadi, Sigatoka, Labasa, Savusavu, Levuka, Navua and Taveuni.

- 4) The Deposit Retention for project comprises of funds retained for the projects that are being carried out by the contractors and are paid back to them after the defects liability period. It is usually 10% of the gross cost of the project. The funds were kept in this account because some projects defect liability period lapsed in the following financial year.

Table 9.2: Judicial Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Suitors Fund	14,143,256	20,325,912
Maintenance Fund	3,419,112	3,752,216
Sundries	4,688,390	3,859,345
Interest	---	49,035
Deposit Retention for Project Funds	376,237	1,432,724
Total Receipts	22,626,995	29,419,232
Payments		
Suitors Fund	14,544,086	20,595,233
Maintenance Fund	3,326,165	4,874,987
Sundries	4,085,801	5,908,457
Retention paid for Project Funds	114,129	846,048
Total Payments	22,070,181	32,224,725
Net Surplus/(Loss)	556,814	(2,805,493)
Opening balance as at 1 August	45,505,114	48,310,607
Closing balance as at 31 July	46,061,928	45,505,114

The decrease in receipts by \$6.8 million or 23% resulted from the reduction in receipts from Suitors Fund for monies received from FNPF on behalf of deceased who did not have nominees for their FNPF accounts. The reduction in payments by \$10.2 million or 32% were mainly due to reduction in payments made to beneficiaries from Suitors Fund.

9.4.2 Judiciary Trust Fund Account

This Trust Fund comprise of funds received from a Chartered Accounting firm for interest received from the Law Society Account to meet the costs and expenses for improving court premises, purchase of equipment for various courts in all the divisions including acquisition of equipment for the Judiciary, implementation of electronic recording of court proceedings and on the discretion of the Chief Justice.

Table 9.3: Judiciary Trust Fund Account

Description	31 July 2023(\$)	31 July 2022 (\$)
Receipts		
Judiciary Trust Fund Account	148,829	251,949
Total Receipts	148,829	251,949
Payments		
Judiciary Trust Fund Account	450,759	359,922
Total Payments	450,759	359,922
Net Loss	(301,930)	(107,973)
Opening balance as at 1 August	1,249,693	1,357,666
Closing balance as at 31 July	947,763	1,249,693

The reduction in receipts by \$103,120 or 41% was due to decrease in funds received from Trustees Contribution Fund for the interest received from the Law Society Account. The increase in payments by \$90,837 or 25% was mainly due to increase in expenses incurred for maintaining court premises and purchasing equipment for various courts in all the divisions.

9.4.3 Legal Practitioners Unit Trust Fund Account

The Trust Fund comprise of funds received from a Chartered Accounting firm for interest received from the Law Society Account to meet the costs and expenses of the Legal Practitioners Unit in the Office of the Chief Registrar in the performance of the functions and duties of the Chief Registrar under the Legal Practitioners Act 2009 and other expenses on the discretion of the Chief Registrar.

Table 9.4: Legal Practitioners Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Legal Practitioners Unit Fund	119,776	252,449
Total Receipts	119,776	252,449
Payments		
Legal Practitioners Unit Fund	1	4,275
Total Payments	1	4,275
Net Surplus	119,775	248,174
Opening balance as at 1 August	2,211,403	1,963,229
Closing balance as at 31 July	2,331,178	2,211,403

The decrease in receipts by \$132,673 or 53% was mainly due to decrease in funds received from Trustees Contribution Fund for the interest received from the Law Society Account to meet the expenses of the Legal Practitioners Unit in the Department.

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the Department. These have been included in this report as they impacted on the overall system of control of the Department as at 31 July 2023.

9.5 Absence of Detailed Listing and Variance in Trust Funds Account - Recurring Issue

The receipt and payments of trust money must be recorded in a separate cashbook or set of ledger accounts.¹ Each month the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Un-reconciled items must be investigated and resolved promptly.²

The Department maintains Judicial Trust Fund Account, which consists of three trust fund accounts: Suitor's Trust, Maintenance Trust and Sundries Trust accounts. As at 31 July 2023, the General Ledger for respective trust fund account had the following balances. Refer to Table 9.5 below for details.

Table 9.5: Judicial Trust Fund Account Balances

Trust Account	FMIS SLG89 Balance as at 31/7/2023 (\$)
Suitors	36,746,334
Maintenance Trust	1,009,200
Sundries	4,534,768
Retention of Funds	3,771,626
Total	46,061,928

The audit of the Department's Judicial Trust Fund Account revealed the following anomalies:

- There still exists significant lapse in the years of reconciliation and absence of detailed breakdown listings of beneficiaries and their current balances except for Suitors Trust Fund Account. As such the accuracy of the closing balance reflected in the Judicial Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2023 could not be determined.
- The Department is currently only compiling the receipt and payments without preparing a proper reconciliation statement showing opening balance, movements and closing balances.
- Variance of \$12,910 exists between the Trust Fund Account balance (SLG 89) and the Cash at bank balance (SAG 52) in the FMIS general ledger as at 31 July 2023. Refer to Table 9.6 below for details.

Table 9.6: Trust fund account balances

Description	Balance 31/07/21 (\$)	Balance 31/07/22 (\$)	Balance 31/07/23 (\$)
FMIS Cash at Bank Balance – SAG 52	36,143,305	45,518,025	49,353,779
FMIS Trust Fund Balance – SLG 89	36,130,094	45,505,114	49,340,869
Variance	13,211	12,911	12,910

In the absence of proper reconciliation statements, the audit was not able to ascertain the correctness of the balance reflected in the Judicial Trust Fund accounts.

¹ Finance Instructions 2010 – Section 58(2)

² Finance Instructions 2010 – Section 58(3)

Recommendations

The Department should:

- **update the reconciliation statement showing the detailed breakdown listings of beneficiaries.**
- **include opening balance, movements, closing balances in the reconciliation statements for the Trust Fund Accounts.**
- **reconcile the balance in the cash at bank and the SLG89 FMIS general ledger.**
- **ensure that trust fund account bank statement balance, trust fund cash at bank balance in FMIS general ledger and trust fund liability account balance in FMIS general ledger is reconciled on a monthly basis and any error or omissions are investigated and resolved.**

Agreed Management Action

As discussed with the night shift Trust fund Reconciliation clerk they have reconciled till August 2010. The day shift trust fund has started their reconciliation from 2015 and is reconciling May 2023 which means there is 5 years left to be reconciled.

The variance currently is \$12,910. We have done the reconciliations for six months from the time the variance started between SLG 89 and 52. We found out that when Trust monies are banked into revenue then we drew a Cheque from Operating Drawings account and deposit into Trust account and vice versa.

Due to costs and time involved in reconciling from the old records we had another meeting with Ministry of Finance asking them to write-off. However, the department was told to continue with the reconciliation process until the time the variance is stagnant. The department is in the process of reconciling the other six months of reconciliation.

9.6 Significant Arrears of Revenue – Recurring Issue

The credit officer must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, the following actions shall be taken:

- i. no further credit shall be extended to the debtor; and
- ii. if the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.³

If a final notice had been issued to one of the debtors listed, the Principal Accounts Officer may approve the case to be referred to the Solicitor General or the Small Claim Tribunal, after considering the cost implication and the probability of recovery.⁴

The Department's arrears of revenue comprise of arrears arising from court fees, fines and costs awarded to the State. The arrears of revenue as at 31 July 2023 amounted to \$12,686,423 which reduced by \$1,313,971 or 9.4% when compared to previous year. The last five years' arrears of revenue balance are provided in Table 9.7.

³ *Judicial Department Finance Manual 2013 – Section 9.2.1*

⁴ *Judicial Department Finance Manual 2013 – Section 9.2.4*

Table 9.7: Arrears of Revenue for last 5 Financial Years

Year	Balance (\$)
31/07/23	12,686,423
31/07/22	14,000,394
31/07/21	13,444,435
31/07/20	12,999,522
31/07/19	13,431,984

The aging details as at 31/07/2023 are shown in Table 9.8:

Table 9.8: Ageing of Arrears of Revenue

Ageing of Debtors	Amount (\$)	Percentage (%)
Less than 1 Year	586,066	5
1-2 years	574,556	4
2-5 years	1,622,728	13
More than 5 years	9,903,073	78
Total	12,686,423	100

The recovery measures warrant immediate review and collaborative actions with other government agencies.

Further delay in collecting the outstanding revenue increases the risk of revenue not likely to be collected which may require writing it off resulting in loss of revenue for government.

Recommendations

The Department should:

- **strengthen the Fine Enforcement Unit to recover the arrears of revenue from the defaulters.**
- **consider seeking collaborative assistance in terms of recovery from FRCS, Police, LTA, Immigration and FNPf before considering the write offs.**
- **upgrade its database information to capture information such as FNPf/Tax Identification Number (TIN), License and Passport Number in order to easily track the defaulters.**

Agreed Management Action

The department is aware of the significant Arrears of Revenue. However, has no authority nor any control over the execution process, this is mainly vested with the Police Department. The department has set up fine enforcement unit and is also providing resources such as vehicles to assist Police officers in execution of warrants and to collect arrears of revenue. When the officers from Police department are free then they go for execution of warrants. The department has also established Memorandum of Understanding with Land Transport Authority and in the process of reconciling records.

PART C: ASSESSMENT OF FINANCIAL REPORTING

9.7 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	NA
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 8 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
● Effective	All 7 key processes completed by the due date

9.8 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Department was:

Rating	Quality of draft financial statements assessment
● Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

9.9 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
● Effective	Acceptable draft financial statements received before 31 October 2023

9.10 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Ineffective	After 14 days from the issue date of audited Financial Statements for signing

Head 9

Parliament of Fiji

Roles and Responsibilities

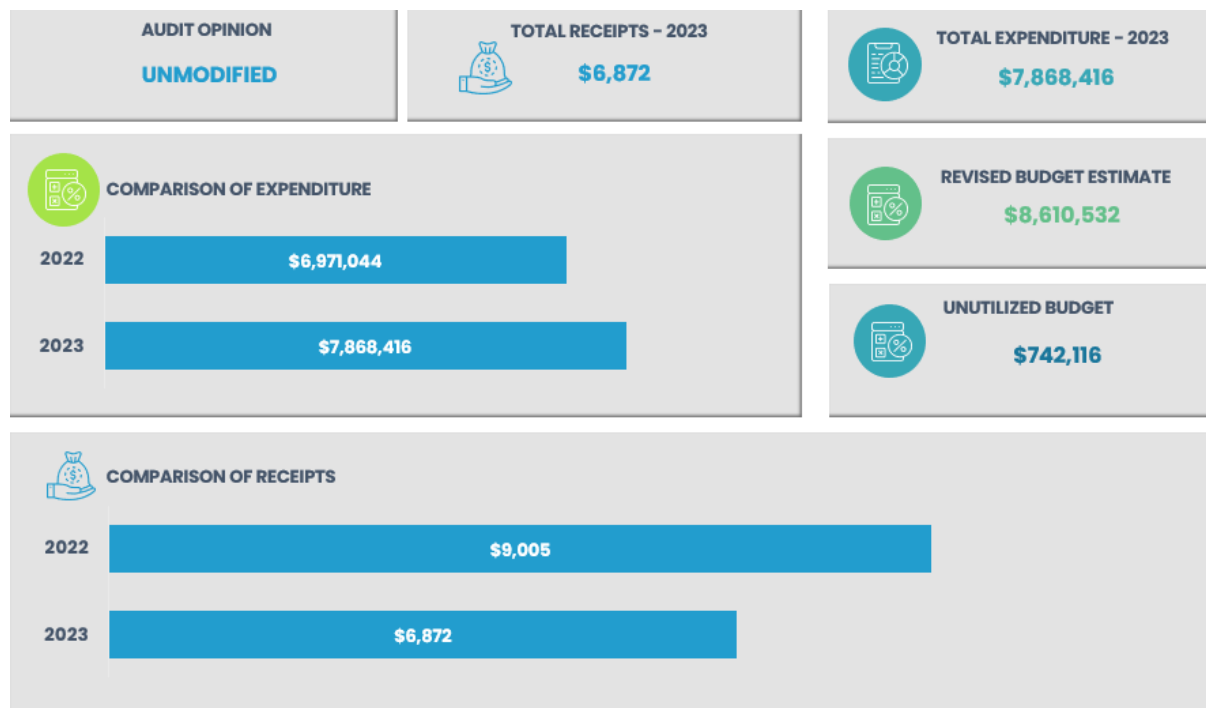
The primary function of the Parliament of Fiji is provided for under Section 46(1) of the Fijian Constitution, which states that, “the authority and power to make laws for the State is vested in Parliament”. The Parliament is the voice of the Fijian people, and it is responsible for ensuring representative government, openly debating relevant issues and providing oversight of government activities.

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PART A: FINANCIAL INFORMATION

9.1 Financial Information



9.2 Audit Opinion

The audit of the 2023 financial statements of the Parliament of Fiji resulted in an unmodified audit opinion.

9.3 Appropriation Statement

The Office incurred expenditures totalling \$7.9 million against a revised budget of \$8.6 million resulting in unutilised budget of \$0.7 million or 8.1%. A total of \$6,872 in revenue was collected by the Office.

Details of actual expenditures against the revised budget are provided in Table 9.1.

Table 9.1: Head 9 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	---	---	---	---	---
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	---	---	---	---	---
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	---	---	---	---	---

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	8,610,532	---	8,610,532	7,868,416	742,116
7	Special Expenditure	---	---	---	---	---
	Total Operating Expenditure	8,610,532	---	8,610,532	7,868,416	742,116
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	Total Capital Expenditure	---	---	---	---	---
13	Value Added Tax	---	---	---	---	---
	TOTAL	8,610,532	---	8,610,532	7,868,416	742,116

The unutilised budget was due to vacant positions, staff turnover and unutilised budget in member of Parliament's salary vote due to Parliament being dissolved and Fiji First Party suspension. There were no grants paid during the period Parliament was dissolved. The Standing Committees ceased sittings after the writ was announced.

PART B: ASSESSMENT OF FINANCIAL REPORTING

9.4 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	N/A
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
★ Effective	All 6 key processes completed by the due date

9.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Parliament of Fiji was:

Rating	Quality of draft financial statements assessment
🟢 Effective	No adjustments required

9.6 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
🟢 Effective	Acceptable draft financial statements received before 31 October 2023

9.7 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
🟢 Effective	Within 14 days from the issue date of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
🔴 Ineffective	After 14 days from the issue date of audited Financial Statement for signing

Head 9**Office of the Director of Public Prosecutions****Roles and Responsibilities**

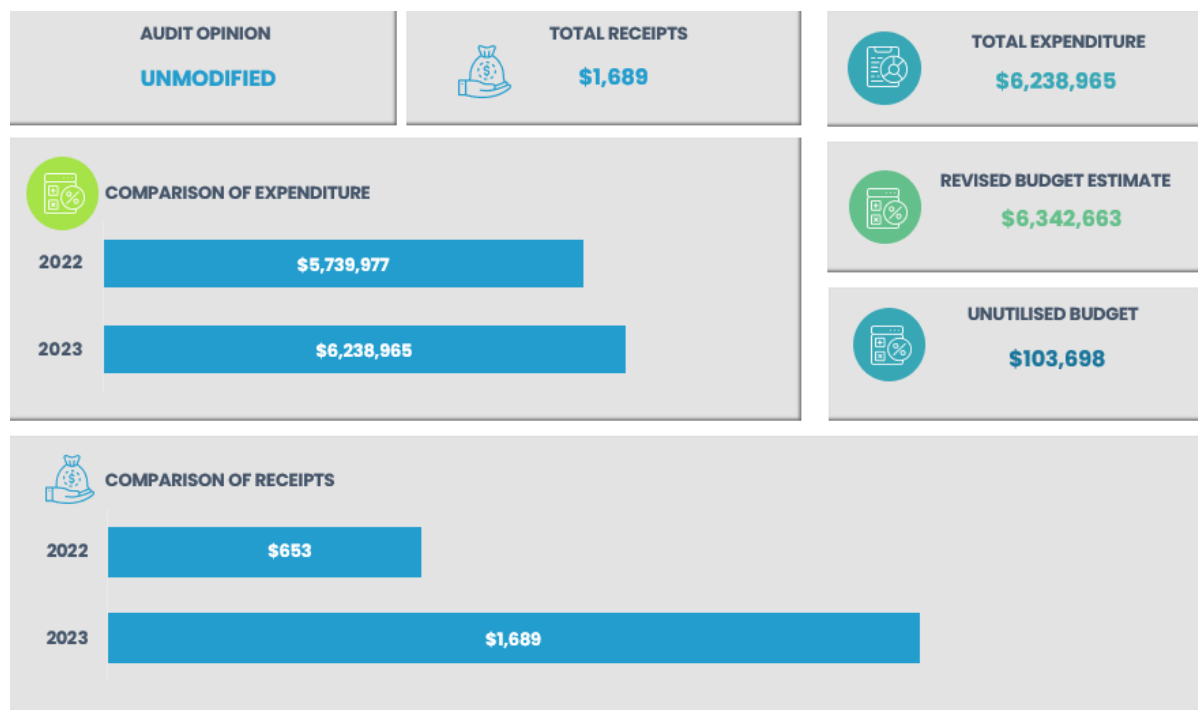
The Office of the Director of Public Prosecution is an independent office established by the Fijian Constitution. The Director of Public Prosecutions (DPP) is responsible for instituting and conducting criminal proceeding in Fiji.

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PART A: FINANCIAL INFORMATION

9.1 Financial Information



9.2 Audit Opinion

The audit of the 2023 financial statements of the Office of the Director of Public Prosecutions resulted in an unmodified audit opinion.

9.3 Appropriation Statement

The Office incurred expenditures totalling \$6.2 million against a revised budget of \$6.3 million resulting in unutilised budget of \$0.1 million or 1.6%. A total of \$1,689 in revenue was collected by the Office.

Details of expenditures against the revised budget are provided in Table 9.1.

Table 9.1: Head 9 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	---	---	---	---	---
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communications	---	---	---	---	---
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	---	---	---	---	---
6	Operating Grants & Transfers	6,342,663	---	6,342,663	6,238,965	103,698

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
7	Special Expenditure	--	---			---
	Total Operating Expenditure	6,342,663	---	6,342,663	6,238,965	103,698
8	Capital Construction	---	---			---
9	Capital Purchase	---	---			---
10	Capital Grants & Transfers	---	---			---
	Total Capital Expenditure	---	---			---
13	Value Added Tax	---	---			---
	TOTAL EXPENDITURE	6,342,663	---	6,342,663	6,238,965	103,698

The unutilised budget of \$103,698 was mainly due to decrease in subsistence and overseas training.

9.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account. The Office of the Director of Public Prosecutions maintains the following two trust accounts:

9.4.1 Director of Public Prosecutions Trust Fund Account

The purpose of this Trust Fund Account is to administer the training normally conducted by the Office. The money is received from participants and payments are for the operation of the training such as training materials.

Table 9.2: Director of Public Prosecutions Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Lawyers' Prosecution Training Fees	48,600	44,100
DPP Conference	55,530	33,220
Interest	22	252
Total Receipts	104,152	77,572
Payments		
Bank Fees	165	64
Refund of Prosecution Training Fees	1,500	300
ODPP Conference	125,805	---
Transfer from Exhibit Trust to CFA	---	49,806
Total Payments	127,470	50,170
Net (Deficit)/Surplus	(23,318)	27,402
Opening balance as at 1 August	260,580	233,178
Closing balance as at 31 July	237,262	260,580

The increase in receipts by \$26,580 or 34% and increase in payments by \$77,300 or 154% was mainly due to increase in conference fees received from participants and payments incurred for Office of the Director of Public Prosecutions Conference.

9.4.2 Forfeited Assets Fund Account

Proceeds of Crime Act 2004 and Proceeds of Crime Act Amendment No.7/2005, Section 71 (A) established this trust fund account for the purpose of keeping funds received from forfeited order. The purpose of this funds are to make payments to the person if a forfeiture order is discharged, make payments to foreign countries with approval of the Minister of Finance in the obligation with respect of a registered foreign forfeiture order and registered foreign pecuniary order.

Table 9.3: Forfeited Assets Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Interest	10	430
Forfeited Funds	206,961	---
Total Receipts	206,971	430
Payments		
Bank Fees	76	1
Payment to BSP Bank	12,500	---
Payment to Fiji Police Force	---	39,358
Payment to Lawyers	---	320,304
Total Payments	12,576	359,663
Net Surplus/(Deficit)	194,395	(359,233)
Opening balance as at 1 August	113,807	473,040
Closing balance as at 31 July	308,202	113,807

The increase in receipts by \$206,541 was mainly due to increase in receipt of forfeited funds. The reduction in payments by \$347,087 or 97% was mainly due to no payments made for forfeiture order discharged.

PART B: ASSESSMENT OF FINANCIAL REPORTING

9.5 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	N/A
Retirement of Imprest by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✗

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally effective	5 key processes completed by the due date

9.6 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Office of the Director of Public Prosecutions was:

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

9.7 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
🌱 Effective	Acceptable draft financial statements received before 31 October 2023

9.8 Timeliness of Provision for Management Comments and Financial Statements for Signing

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the dates the draft management letter and audited financial statements were issued and date management comments and signed financial statements were received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
🌟 Effective	Within 14 days from the issue date of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
🌟 Effective	Within 14 days from the issue date of audited Financial Statements for signing

Head 14

Fiji Corrections Service**Roles and Responsibilities**

The Fiji Corrections Service [FCS] is responsible for safely detaining and rehabilitating persons sentenced to a term of imprisonment or placed on remand at its correctional centres pending trial by the courts.

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PART A: FINANCIAL INFORMATION

14.1 Financial Information



14.2 Audit Opinion

The audit of the 2023 financial statements of the Fiji Corrections Service resulted in an unmodified audit opinion.

14.3 Appropriation Statement

The Department incurred expenditures totalling \$37.98 million against a revised budget of \$39.99 million resulting in an unutilised budget of \$2.01 million or 5%. A total of \$709,647 in revenue was collected in 2023.

Details of expenditures against the revised budget are provided in Table 14.1 below.

Table 14.1: Head 14 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	23,367,945	(1,442,191)	21,925,754	21,575,332	350,422
2	Government Wage Earners	33,711	---	33,711	25,068	8,643
3	Travel & Communication	775,000	410,000	1,185,000	1,115,955	69,045
4	Maintenance & Operations	2,413,756	712,000	3,125,756	2,969,207	156,549
5	Purchase of Goods & Services	5,936,000	1,569,900	7,505,900	7,285,127	220,773

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	20,000	---	20,000	19,762	238
7	Special Expenditure	500,000	---	500,000	465,803	34,197
	Total Operating Expenditure	33,046,412	1,249,709	34,296,121	33,456,254	839,867
8	Capital Construction	5,807,876	(3,087,626)	2,720,250	2,209,265	510,985
9	Capital Purchase	905,100	355,646	1,260,746	971,656	289,090
	Total Capital Expenditure	6,712,976	(2,731,980)	3,980,996	3,180,921	800,075
13	Value Added Tax	1,470,390	242,271	1,712,661	1,343,455	369,206
	TOTAL	41,229,778	(1,240,000)	39,989,778	37,980,630	2,009,148

The unutilised budget resulted mainly from the following:

1. Lodging allowances were only paid to married FCS personnel and not to the bachelors or spinsters. Retired personnel were also not willing to continue to the 60-year retirement age.
2. Restrictions was continuously imposed by FCS for the sake of those under their care. Maintenance for generators required specialised personnel to service, whilst also restricting the movement of outsiders into the Institutions.
3. Additional funds vired to the rations allocation to assist in the monthly ration for inmates and the FCS personnel on operational duties during night and holiday shifts.
4. Delay in the approval for upgrading of CCTV standing orders from ITC and the allocation of funds for obligated projects.
5. Delays in the shipping of chubb locks affecting the installation and completion of works at the Medium Correction Centre.

14.4 Trust Fund Account

The Fiji Corrections Service maintains a Prisoners Cash Trust Fund Account.

Money held in trust consist of confiscated cash from prisoners upon convictions, engagement in the Trading and Manufacturing Small Business Units (TMA SBUs), engagement in the art gallery, wages earned during job placements and sugarcane wage rates during cane cutting operations. For the TMA SBUs, the wage rate depends on the skillset of the prisoner and years of experience in the trade. The stages the prisoner is being rehabilitated and his skills determines his commercial wage rate charged while working in the SBU.

The sugarcane cutting operation has a ratio of 60:40 where the 60% is paid to the inmates and 40% for purchasing of inmates' equipment and rations.

For commercial wage job placements, the wage rate depends on the rate offered by the company. The hours worked by the prisoners are recorded in the timesheets and receipted when deposited into the Prisoners Trust Account.

For the art gallery, 60% of sale goes to the prisoner while 40% is used to purchase gallery items.

The Prisoners Cash Trust Fund Account collected trust revenue totalling \$355,288 in 2023 of which \$336,342 was from sugar cane harvesting. Expenditures paid totaled \$311,501 of which \$281,826 was also for sugar cane harvesting. The balance of this account as at 31 July 2023 was \$1,295,720.

Details of Prisoners Cash Trust Fund is provided in Table 14.2 below.

Table 14.2: Prisoners Cash Trust Fund

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Prisoner's cash	1,759	2,224
Job placement	---	72
Sale of Art gallery	17,187	4,451
Sugar cane harvesting	336,342	222,603
Total Receipts	355,288	229,350
Payments		
Return of Prisoner's cash	12,889	15,180
Job placement	---	570
Art gallery	16,786	200
Sugar cane harvesting	281,826	135,785
Total Payments	311,501	151,735
Net Surplus	43,787	77,615
Balance as at 1 August	1,251,933	1,174,318
Closing Balance as at 31 July	1,295,720	1,251,933

14.5 Trading and Manufacturing Account

The Fiji Corrections Service operates the Trading and Manufacturing Account (TMA) and is guided by its legal mandate to operate its Commercial Enterprises Unit as stipulated under the Fiji Corrections Act 2006 under Part 10 Clause 45 (a) to (d).

The Department's TMA consists of six Small Business Units (SBUs) namely the Bakery, Joinery, Piggery, Poultry, Tailor and Crops. The summary of the activities is presented in a consolidated form as there is only one bank account for all the SBUs.

The operation of these TMA helps in the rehabilitative work programs with key objective of teaching and developing inmates with basic industrial and agricultural skills. The TMA also generates much needed revenue through the sale of agricultural products, joinery, tailor and bakery materials.

The activities for the TMA are in the following areas:

Bakery

The Bakery Unit is responsible for baking long loaves and sliced bread. The Bakery Unit is located within the Maximum Correction facility.

Crops

This business unit does farming of crops and vegetables such as ginger, cassava, dalo and many other products according to seasons.

Joinery

The joinery team comprise of inmates who are involved with the construction of furniture items for institutional and commercial use.

Piggery

This business unit is responsible for breeding pigs and supplying pig meat to buyers along the Navua to Nausori corridor.

Poultry

This business unit is responsible for breeding live chickens for supply of fresh eggs which are then retailed in the local market.

Tailor

The tailor unit is responsible for making garments such as beddings, festive colour shirts and dresses, doormats and many more.

The financial analysis of TMAs for the year ended 31 July 2023 is provided below.

Table 14.3.: Consolidated Manufacturing Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Opening Raw Materials	58,872	74,550
Add: Purchases	1,247,867	900,830
	1,306,739	975,380
Less: Closing Raw materials	74,562	58,872
Raw Materials Used	1,232,177	916,508
Add: Opening Work In Progress	5,082	1,083
Add: Direct Cost – Labour	23,148	26,795
Less: Closing Work in Progress	30,148	5,082
Cost of Manufactured Goods Transferred to Trading Account	1,230,259	939,304

Table 14.4: Consolidated Trading Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Sales	1,435,385	1,398,051
Opening Stock	349,823	417,059

Description	31 July 2023 (\$)	31 July 2022 (\$)
Add: Cost of Manufactured Goods transferred from Manufacturing Account	1,230,259	939,304
Less: Closing Stock of Finished Goods	330,698	349,823
Cost of Goods Sold	1,249,384	1,006,540
Gross Profit transferred to Profit & Loss Account	186,001	391,511

TMA Sales increased by \$37,334 in 2023 compared to 2022. There was also an increase in the cost of materials and feeds for livestock to \$1,230,259 in 2023 from \$939,304 in 2022. This resulted in the decrease in gross profit from \$391,511 in 2022 to \$186,001 or 52% in 2023.

Table 14.5: Consolidated Profit and Loss Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Income		
Gross Profit Transferred from Trading Account	186,001	391,511
Total Income	186,001	391,511
Expenses		
Maintenance and Operations	126,518	52,547
Total Payments	126,518	52,547
Net Profit	59,483	338,964

Net profit decreased to \$59,483 in 2023 from \$338,964 in 2022. This was largely due to the increase in maintenance and operations costs as the result of the increase in cost of livestock feed and material in the market.

Table 14.6: Consolidated Balance Sheet

Description	31 July 2023 (\$)	31 July 2022 (\$)
Assets		
Cash at Bank	226,253	616,413
Raw Materials	74,562	58,872
Works in Progress	30,148	5,082
Finished Goods	330,698	349,823
VAT Receivable	42,563	30,964
Total Assets	704,224	1,061,154
Liabilities		
Deferred Income	---	---
Net Assets	704,224	1,061,154
Equity		
TMA Surplus transferred to Consolidated Fund	(2,021,254)	(1,604,841)
TMA Accumulated Surplus	2,665,995	2,327,031

Description	31 July 2023 (\$)	31 July 2022 (\$)
Net Profit	59,483	338,964
Total Equity	704,224	1,061,154

Net Assets decreased by \$356,930 in 2023 compared to 2022. The reduction in cash at the bank was due to the purchasing of equipment.

PART B: ASSESSMENT OF FINANCIAL REPORTING

14.6 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprest by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 8 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
● Effective	All 8 key processes were completed by the due date

14.7 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Fiji Corrections Service was:

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

14.8 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
● Effective	Acceptable draft financial statements received on or before 31 October 2023

14.9 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
★ Effective	Within 14 days from the issue of Financial Statements for signing

Head 15**Ministry of Justice****Roles and Responsibilities**

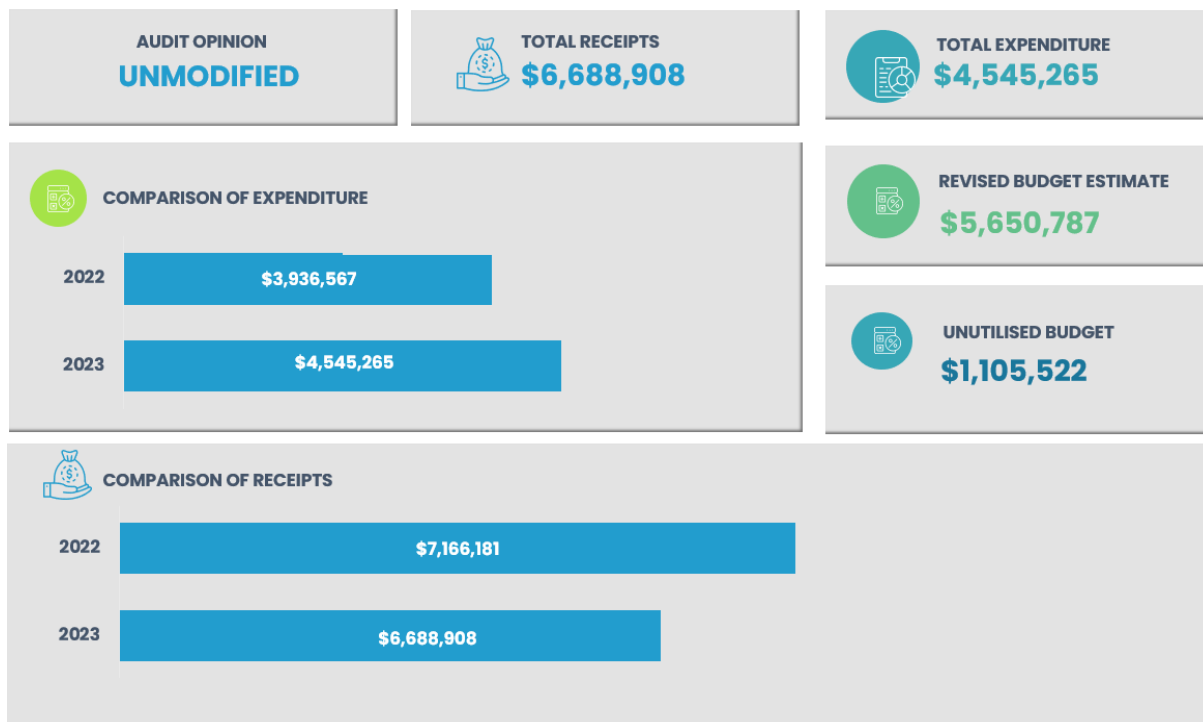
The Ministry of Justice is responsible for the administration of law and justice in Fiji. The Ministry delivers judicial services through registries established by law to maintain official records of legal documents. These registries include registration of companies, businesses, credit unions, money lenders, titles, deeds, charitable, religious, births, deaths and marriages. The Ministry also administers justices of the peace and the winding up of businesses and companies.

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PART A: FINANCIAL INFORMATION

15.1 Financial Information



15.2 Audit Opinion

The audit of the 2023 financial statements of the Ministry of Justice resulted in an unmodified audit opinion with an Other Matter paragraph.

The other matter paragraph was that the Ministry does not have a disaster recovery plan in place to mitigate the risks of disasters and to safeguard the Ministry's operations and data.

15.3 Appropriation Statement

The Ministry incurred expenditure totalling \$4.6 million against a revised budget of \$5.7 million resulting in unutilised budget of \$1.1 million or 19%. A total of \$6.7 million in revenue was collected in 2023.

Details of expenditures against the revised budget are provided in Table 15.1 below.

Table 15.1: Head 15 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,154,694	---	3,154,694	2,774,585	380,109
2	Government Wage Earners	166,901	---	166,901	154,382	12,519
3	Travel & Communication	195,000	90,000	285,000	196,737	88,263
4	Maintenance & Operations	678,000	---	678,000	533,193	144,807
5	Purchase of Goods & Services	233,524	(60,000)	173,524	82,173	91,351
6	Operating Grants & Transfers	17,500	---	17,500	17,500	---
7	Special Expenditure	2,709,968	(1,930,000)	779,968	606,010	173,958
	Total Operating Expenditure	7,155,587	(1,900,000)	5,255,587	4,364,580	891,007
9	Capital Purchase	130,000	---	130,000	126,517	3,483
	Total Capital Expenditure	130,000	---	130,000	126,517	3,483
13	Value Added Tax	355,200	(90,000)	265,200	54,168	211,032
	TOTAL	7,640,787	(1,990,000)	5,650,787	4,545,265	1,105,522

The unutilised budget resulted mainly from the following:

- Vacant position not filled.
- decrease in printing and stationery expenditure.
- contract of officers working on the Fijian Pass System ended.

15.4 Trust Fund Account

The Ministry of Justice maintains two main trust fund accounts. These are the Official Receiver Liquidation and Official Receiver Bankruptcy Trust Fund Accounts.

The Official Receiver administers Liquidation and Bankruptcy Accounts in accordance with the Companies Act 2015 and Bankruptcy Act 1944, respectively. The creditor files the petition against the debtor by paying a sum of \$109 for individual debtors and \$763 for companies.

The petitions are then lodged with the Magistrate Court or High Court which then appoints the Official Receiver as the Official Receiver of a debtor's estate for individuals or as the Provisional Liquidator for a company. The Official Receiver would then take necessary steps as required under the Companies Act 2015 and the Bankruptcy Act 1944 to ensure recoveries are made from the debtor to pay off the creditors. Money received from liquidated companies on the other hand is deposited into the Liquidation Trust Bank Account for payment to creditors.

15.4.1 Official Receiver Liquidation Trust Fund

The Official Receiver Liquidation Trust Fund account collected trust revenue totalling \$1,207,854 in 2023 and incurred expenditures totalling \$941,741. The balance of this account as at 31 July 2023 was \$1,919,971.

Refer to Table 15.2 below.

Table 15.2: OFFICIAL RECEIVER LIQUIDATION TRUST FUND

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Debt Collected	1,147,795	400,678
Petition	49,595	48,069
Search Fees	5,832	8,251
Proof of Debt	4,632	6,976
Fees and Costs	---	45,718
Total Receipts	1,207,854	509,692
Payments		
Debt Payment	917,056	1,304,655
Valuation Cost	1,500	---
Debtor Refund	12,769	96,445
Petition Refund	3,052	3,315
Publication Costs	585	1,606
Bank Fees & Charges	279	568
Payment to CFA	---	12,749
Reversal of Dishonoured Cheque	6,500	---
Total Payments	941,741	1,419,338
Net Surplus/(Deficit)	266,113	(909,646)
Opening Balance as at 1 August	1,653,858	2,563,504
Closing Balance as at 31 July	1,919,971	1,653,858

15.4.2 Official Receiver Bankruptcy Trust Fund

The Official Receiver Bankruptcy Trust Fund collected trust revenue totalling \$150,537 in 2023 and incurred expenditures totalling \$211,872. Refer to Table 15.3 below.

Table 15.3: OFFICIAL RECEIVER BANKRUPTCY TRUST FUND

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Debt Collected	148,345	224,346
Search Fees	---	32,253
Petition	2,180	2,835
Proof of Debt	12	12
Total Receipts	150,537	259,446
Payments		
Debt Payment	210,562	75,152
Debtor Refund	---	35,206
Publication Costs	1,058	370
Bank Fees & Charges	252	429
Payment to CFA	---	28,443
Total Payments	211,872	139,600
Net (Deficit)/Surplus	(61,335)	119,846
Opening Balance as at 1 August	522,501	402,655
Closing Balance as at 31 July	461,166	522,501

PART B: ASSESSMENT OF FINANCIAL REPORTING

15.5 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Clearance of Inter-departmental clearance accounts by 8 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Submission of arrears of revenue returns by 25 August 2023	n/a

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
Effective	All 7 key processes were completed by the due date

15.6 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of Justice was:

Rating	Quality of draft financial statements assessment
Effective	No adjustment required

15.7 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
Effective	Acceptable draft financial statements received on or before 31 October 2023

15.8 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
✖ Ineffective	After 14 days from the issue of the Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
✖ Ineffective	After 14 days from the issue of Financial Statement for signing

Head 16

Departments of Information, Communications and Digital Government Transformation Office

Roles and Responsibilities

The Department of Information disseminates information by producing television and radio programs, publishing a fortnightly newspaper, managing the whole of government website and social media accounts and, issuing news release about Government initiatives. The Department is also responsible for providing daily media monitoring reports to senior government officials. It also plays a very important role during disasters by providing timely and accurate information to the media and public.

The Department of Communication's mission is to provide efficient, competitive, cost-effective and accessible telecommunication and postal services to all Fijians. The Department also works closely with the Telecommunications Authority of Fiji in ensuring that proper monitoring, compliance and regulatory oversight of the telecommunication sector is maintained.

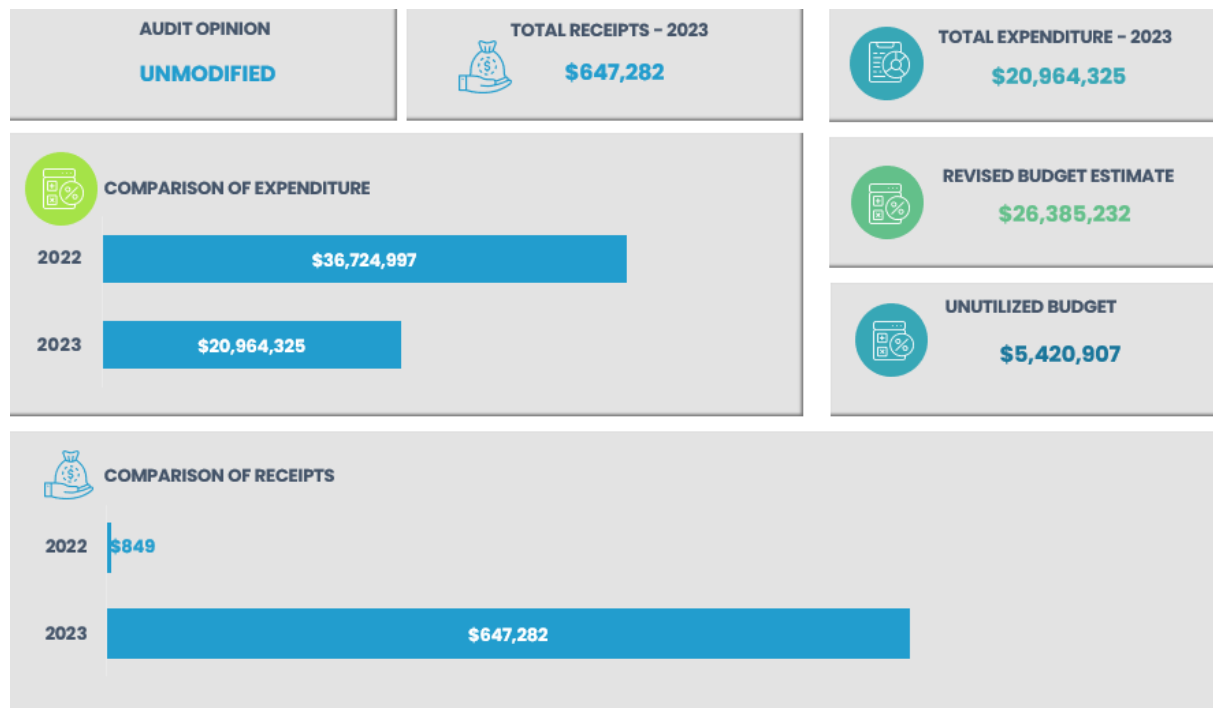
The Digital Government Transformation Office is spearheading the digitalFIJI Programme, a digital Government transformation initiative which optimises and digitalises key Government services which is focused on a citizen-centric approach through the establishment of a common services platform, data harmonisation, development, release and maintenance of software and mobile applications (such as digitalFIJI app, careFIJI app, vax check system, Vaccination Registry System) to dramatically increase accessibility to Government services.

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PART A: FINANCIAL INFORMATION

16.1 Financial Information



16.2 Audit Opinion

The audit of the 2023 financial statements of the Departments of Information, Communications and Digital Government Transformation Office resulted in an unmodified audit opinion.

16.3 Appropriation Statement

The Departments incurred expenditures totalling \$21 million against a revised budget of \$26.4 million resulting in unutilised budget of \$5.4 million or 20.5%. A total of \$647,282 in revenue was collected by the Departments.

Details of expenditures against the revised budget are provided in Table 16.1.

Table 16.1: Head 16 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,513,494	(20,000)	2,493,494	1,909,813	583,681
2	Government Wage Earners	196,825	20,000	216,825	201,190	15,635
3	Travel & Communications	783,586	122,000	905,586	587,584	318,002
4	Maintenance & Operations	596,022	30,000	626,022	465,468	160,554
5	Purchase of Goods & Services	3,611,653	(183,000)	3,428,653	1,379,426	2,049,227

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	1,001,930	110,935	1,112,865	997,176	115,689
7	Special Expenditure	15,841,764	(12,170,000)	3,671,764	2,691,275	980,489
	Total Operating Expenditure	24,545,274	(12,090,065)	12,455,209	8,231,932	4,223,277
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	14,600,000	(2,295,000)	12,305,000	12,305,000	---
	Total Capital Expenditure	14,600,000	(2,295,000)	12,305,000	12,305,000	---
13	Value Added Tax	2,075,023	(450,000)	1,625,023	427,393	1,197,630
	TOTAL	41,220,297	(14,835,065)	26,385,232	20,964,325	5,420,907

The unutilised budget resulted mainly from the following:

- Due to vacant positions.
- Operational charges for maintenance of the Savusavu Cable system was received after cut-off dates for payments hence was paid in the following financial year.
- Public Relations Service contracts were terminated in January 2023.
- The advertising and marketing expenses to raise awareness on National events like Constitution Day was funded by other Ministries.
- Completion of final milestone for Fijian Vaccine Pass System which is Site Acceptance Testing (SAT) for the Biometric Vaccination Management System.

16.4 Trust Fund Account

The Departments of Information, Communications and Digital Government Transformation Office maintains two main trust fund accounts. These are the Telecommunications Development Trust Fund account and Fibre Cable Management Trust Fund account.

16.4.1 Telecommunications Development Trust Fund account

The Telecommunications Act 2008 and the Telecommunications (Trust Fund) Regulations 2016 established the Trust Fund Account for the purpose of imposing a levy on the interconnections to fund national developments in telecommunication such as Telecentres and the Digital TV expenditures. Carriers (such as Telecommunication companies) are mandated by law to pay the Ministry a prescribed levy.

Table 16.2: Telecommunications Development Trust Fund

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Levy fees from telecommunication companies	2,109,416	481,471
Interest	19,208	44,463
Total Receipts	2,128,624	525,934

Description	31 July 2023 (\$)	31 July 2022 (\$)
Payments		
Bank Fee & Withholding Tax	2,031	4,556
Total Payments	2,031	4,556
Net Surplus	2,126,593	521,378
Opening balance as at 1 August	6,838,438	6,317,060
Closing Balance as at 31 July	8,965,031	6,838,438

The increase in receipts by \$1.6 million or 305% was mainly due to increase in fees received from telecommunication companies in 2023.

16.4.2 Fibre Cable Management Trust Fund account

The Telecommunications Act 2008 and the Telecommunications (Fibre Cable Management Trust Fund) Regulations 2019 establishes the Trust Fund Account for the purpose of utilisation for the Savusavu spur to fund the maintenance, management and operational cost of Fibre cable system.

Table 16.3: Fibre Cable Management Trust Fund

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
Infrastructure access fees	1,891,689	1,290,498
Interest	15,060	33,174
Refund from EFL	5,602	5,839
Total Receipts	1,912,351	1,329,511
Payments		
Consultancy payments	65,751	233,031
Bank fee & withholding tax on Interest	1,749	3,435
SXNEXT cable project	290,479	190,497
Marine operations & maintenance fee	---	47,130
Total Payments	357,979	474,093
Net surplus	1,554,372	855,418
Opening balance as at 1 August	5,379,143	4,523,725
Closing Balance as at 31 July	6,933,515	5,379,143

The increase in receipts by \$582,840 or 44% was mainly due to increase in infrastructure access fees received from Telecommunication companies for the usage of the Fibre connection in Savusavu. The decrease in payments by \$116,114 or 24% was mainly due to a reduction in consultancy fees payments for Cable projects made in 2023.

PART B: ASSESSMENT OF FINANCIAL REPORTING

16.5 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
★ Effective	All 8 key processes completed by the due date

16.6 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Departments of Information, Communications and Digital Government Transformation Office was:

Rating	Quality of draft financial statements assessment
★ Effective	No adjustments required

16.7 Timeliness of Draft Financial Statements

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


Rating	Timeliness of draft financial statements assessment
★ Ineffective	Acceptable draft financial statements received after 31 October 2023

16.8 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statement for signing

Head 16A

Department of Information Technology and Computing Services**Role and Responsibilities**

The primary role of the Department is the provision of technical support services for network infrastructure, security, web hosting, IT technical evaluation, and client support services desk and business solution to Government Ministries/Departments and Statutory Bodies.

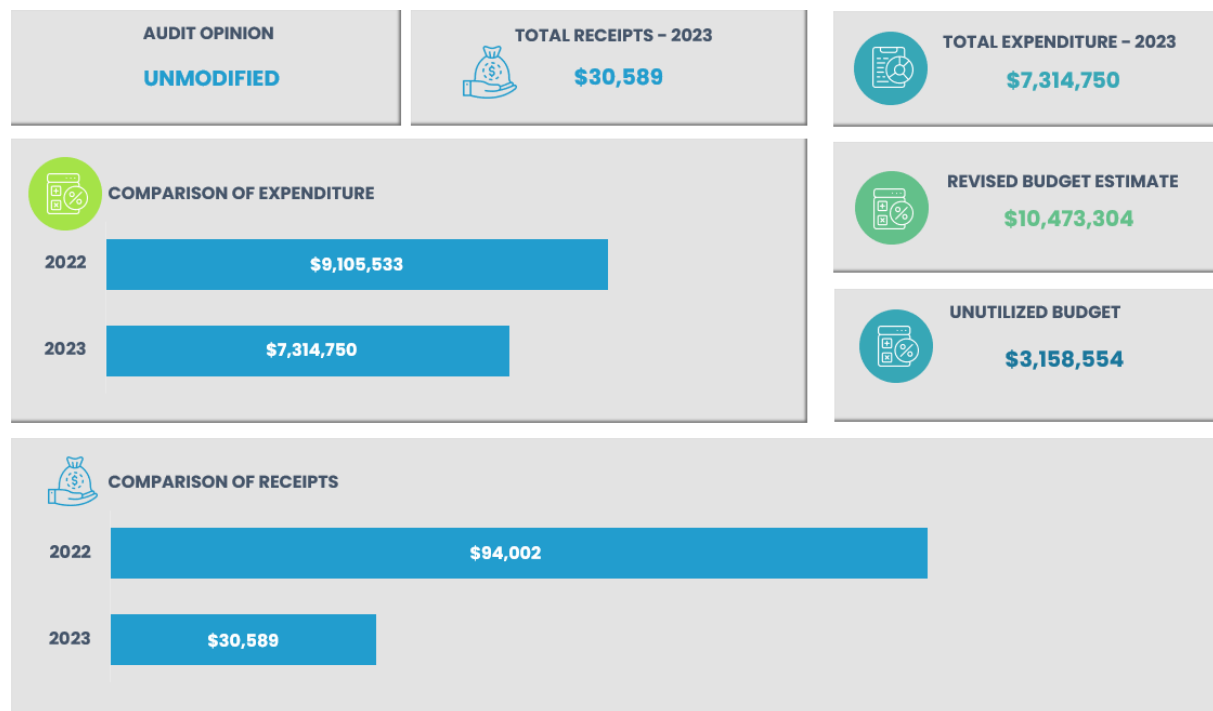
Department of Information, Technology and Computing Services mission is to promote and support Government in the provision of ICT capabilities and secure an effective platform that will showcase opportunities and enhance efficiency, professionalism of the Government and its employees.

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PART A: FINANCIAL INFORMATION

16A.1 Financial Information



16A.2 Audit Opinion

The audit of the 2023 financial statements of the Department of Information Technology and Computing Services resulted in an unmodified audit opinion.

16A.3 Appropriation Statement

The Department incurred expenditures totalling \$7.3 million against a revised budget of \$10.5 million resulting in unutilised budget of \$3.2 million or 30.5%. A total of \$30,589 in revenue was collected by the Department.

Details of expenditures against the revised budget are provided in Table 16A.1.

Table 16A.1: Head 16A - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,670,864	(5,810)	1,665,054	1,204,533	460,521
2	Government Wage Earners	31,940	---	31,940	18,616	13,324
3	Travel & Communications	1,722,000	2,000	1,724,000	1,643,264	80,736
4	Maintenance & Operations	1,133,500	(8,021)	1,125,479	869,649	255,830

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
5	Purchase of Goods & Services	4,703,000	11,831	4,714,831	2,952,056	1,762,775
7	Special Expenditure	---	---	---	---	---
	Total Operating Expenditure	9,261,304	---	9,261,304	6,688,118	2,573,186
9	Capital Purchases	2,130,000	(2,000,000)	130,000	119,000	11,000
10	Capital Grants & Transfers	---	---	---	---	---
	Total Capital Expenditure	2,130,000	(2,000,000)	130,000	119,000	11,000
13	Value Added Tax	1,172,000	(90,000)	1,082,000	507,632	574,368
	TOTAL EXPENDITURE	12,563,304	(2,090,000)	10,473,304	7,314,750	3,158,554

The unutilised budget resulted mainly from the following:

- staff turnover due to resignation. Positions were advertised under the OMRS recruitment process however; the recruitment was on hold as per the Ministry of Civil Service Circular No. 1/2023 effective from 5 January 2023.
- reduced cost of internet upon further negotiations with service provider.
- installation of new energy efficient and improved chiller at the government data centre.
- negotiations with vendor on Software Licence.

PART B: ASSESSMENT OF FINANCIAL REPORTING

16A.4 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
● Effective	All 8 key processes completed by the due date

16A.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Department of Information, Technology and Computing Services was:

Rating	Quality of draft financial statements assessment
● Effective	No adjustments required

16A.6 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
● Effective	Acceptable draft financial statements received before 31 October 2023

16A.7 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statement for signing

Head 17**Ministry of Civil Service****Roles and Responsibilities**

The Ministry of Civil Service supports Ministries and Departments with the ongoing implementation of modern best practice in service delivery across the Whole of Government to firmly establish Government as a merit-based, efficient and responsible employer.

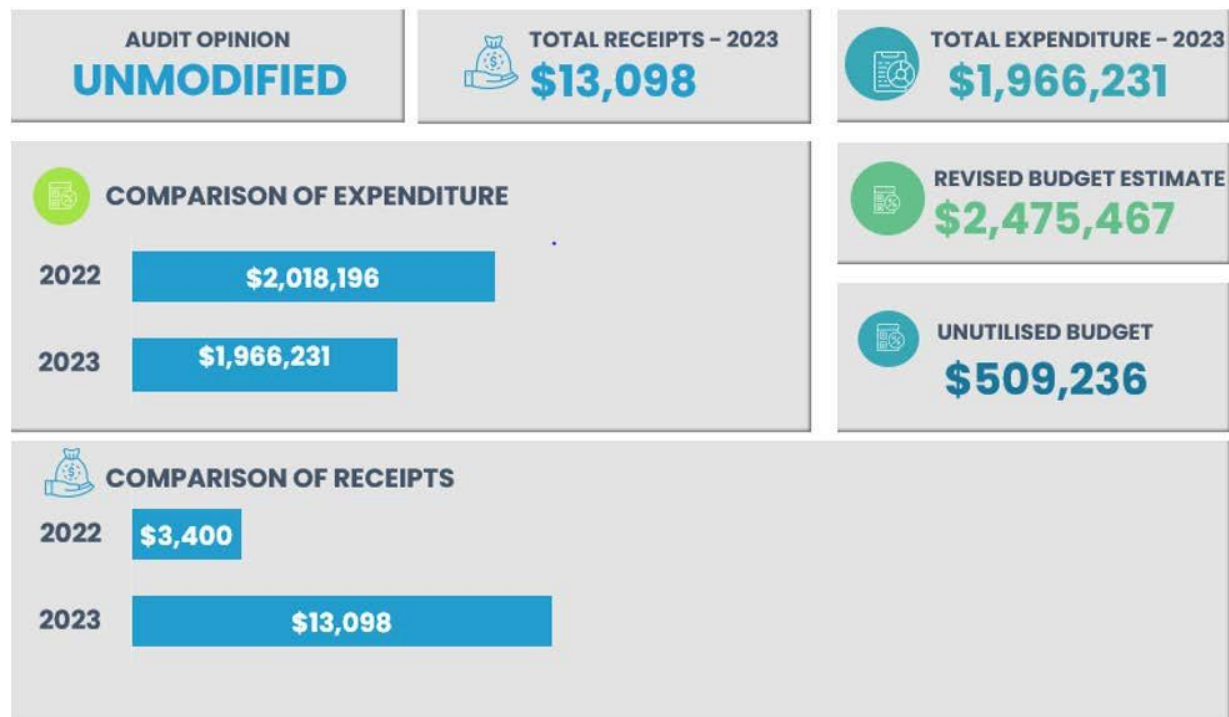
The Ministry provides human-resource policy support and guidance to the Permanent Secretaries; acts as the Secretariat and provides support services to Public Service Commission (PSC); monitors and reports on the implementation of guidelines and policies to the PSC and Ministers; provides guidance to Ministries to continue the rapid progress towards a merit-based and efficient civil service; works in partnership with Ministries to facilitate improved customer care by developing and launching a Customer Service Guideline across the Civil Service to ensure safe, responsive, reliable and inclusive customer service to internal and external customers. Additionally, the Ministry coordinates core-skills training and learning and development opportunities funded by development partners.

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PART A: FINANCIAL INFORMATION

17.1 Financial Information - Head 17 – Ministry of Civil Service



17.2 Audit Opinion – Head 17 Ministry of Civil Service

The audit of the 2023 financial statement of the Ministry of Civil Service resulted in an unmodified audit opinion.

17.3 Appropriation Statement

The Ministry incurred expenditures totalling \$1.97 million in 2023 against a revised budget of \$2.48million, resulting in an unutilised budget of \$509,236 or 21%. A total of \$13,098 was collected in revenue.

Details of expenditures against the revised budget are provided in Table 17.1 below.

Table 17.1: Head 17 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,327,990	---	1,327,990	1,096,240	231,750
2	Government Wage Earners	70,106	---	70,106	65,444	4,662
3	Travel & Communication	58,000	---	58,000	55,100	2,900
4	Maintenance & Operations	579,900	(3,607)	576,293	388,896	187,397
5	Purchase of Goods & Services	350,511	512	351,023	287,478	63,545

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	---	---	---	---	---
7	Special Expenditure	200,000	(196,905)	3,095	2,580	515
	Total Operating Expenditure	2,586,507	(200,000)	2,386,507	1,895,738	490,769
13	Value Added Tax	106,960	(18,000)	88,960	70,493	18,467
	TOTAL	2,693,467	(218,000)	2,475,467	1,966,231	509,236

Significant unutilised budget was largely due to the following:

- Vacant positions not filled.
- reduction in the number of call centre agents.
- Deferment of renovations and refurbishments of the Training and Development facilities at Nasese Centre due to the Road Development Project.

17.4 Financial Information - Head 13 – Public Service Commission



17.5 Audit Opinion – Head 13 Public Service Commission

The audit of the 2023 financial statements of the Public Service Commission resulted in an unmodified audit opinion.

17.6 Appropriation Statement

The Public Service Commission incurred expenditures totalling \$4.7 million in 2023 against a revised budget of \$5.4 million, resulting in an unutilised budget of \$0.7 million or 13%. Details of expenditures against the revised budget are provided in Table 17.2 below.

Table 17.2: Head 13 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	5,452,606	---	5,452,606	4,729,772	722,834
	Total Operating Expenditure	5,452,606	---	5,452,606	4,729,772	722,834
	TOTAL	5,452,606	---	5,452,606	4,729,772	722,834

The unutilised budget resulted mainly from the following:

- a. Vacant PS positions not filled for the 1) Ministry of Justice 2) Ministry of Local Government 3) Ministry of Foreign Affairs.
- b. The savings in the Travel-Airfare allocation was because the new appointed Commissioners were locally based. The former chair used to travel in from overseas for meetings.
- c. The Pacific Public Service Commission Conference not held during the year.
- d. The savings in the Housing allowance allocation was mainly due to the appointment of all local Permanent Secretaries during the year.
- e. The planned induction in July 2023 for the Permanent Secretaries was deferred to August 2023 since the change in the Commission led to re-appointment of Permanent Secretaries.
- f. The training and development of Permanent Secretaries which was planned in 2023 was deferred to early 2024 financial year.
- g. The unutilised budget in Travel and Shipment allocation was mainly due to the only expatriate Permanent Secretary exiting the service without utilising the travel and shipment entitlements.

PART B: ASSESSMENT OF FINANCIAL REPORTING

17.7 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✗
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end close process assessment
☀ Generally Effective	7 out of 8 key processes were completed by the due date

17.8 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry of Civil Service was:

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

17.9 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
🌿 Effective	Acceptable draft financial statements received on or before 31 October 2023

17.10 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
 Ineffective	After 14 days from the issue of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue of Financial Statement for signing

Head 18**Ministry of Rural & Maritime Development
and Disaster Management****Roles and Responsibilities**

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

The Ministry's programs are targeted at generating economic growth and improving living standards in Fiji's rural and maritime communities. This includes Self-Help Programme, Emergency Water and Community Access Roads, Footpaths and Footbridges. They are also responsible for the implementation of the National Disaster Management Strategy as required by the 1995 National Disaster Management Plan and the National Disaster Management Act 1998, covering disaster prevention, mitigation, preparedness, response, emergency operations, relief and rehabilitation. Correspondingly, the Ministry implements climate change mitigation programmes.

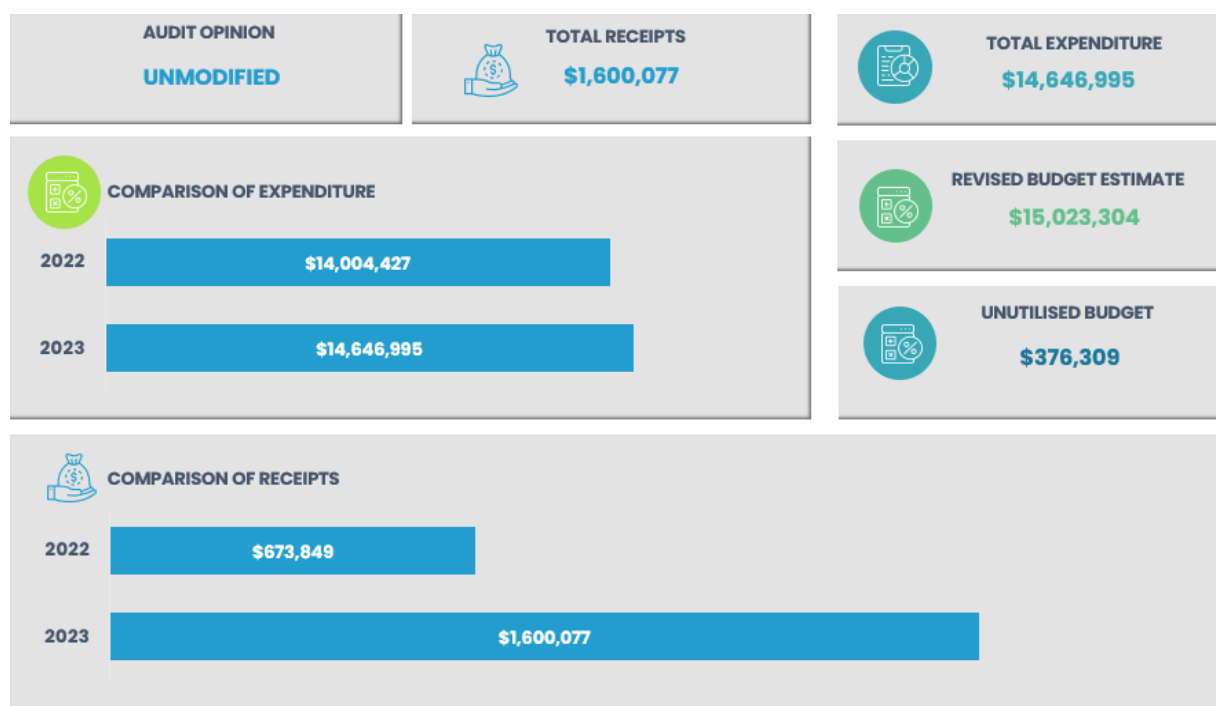
The Ministry also provides support services to rural, peri-urban and maritime communities such as issuing licences and collecting licence and permit fees.

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PART A: FINANCIAL INFORMATION

18.1 Financial Information



18.2 Audit Opinion

The audit of the 2023 financial statements for the Ministry of Rural & Maritime Development and Disaster Management resulted in an unmodified audit opinion.

However, the following other matter was raised:

The Ministry did not carry out an annual board of survey to verify the existence and condition of property, plant and equipment contrary to Section 49(1) of the Finance Instructions 2010.

18.3 Appropriation Statement

The Ministry incurred expenditures totalling \$14.6 million against a revised budget of \$15 million resulting in unutilised budget of \$0.4 million or 2.7%. A total of \$1.6 million in revenue was collected by the Ministry.

Details of expenditure against the revised budget are provided in Table 18.1.

Table 18.1: Head 18 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	5,626,510	(279,566)	5,346,944	5,242,457	104,487
2	Government Wage Earners	1,135,539	72,904	1,208,443	1,182,576	25,867
3	Travel & Communication	500,000	205,941	705,941	676,975	28,966
4	Maintenance & Operations	1,060,150	29,421	1,089,571	1,033,633	55,938
5	Purchase of Goods & Services	424,400	59,179	483,579	467,178	16,401
6	Operating Grants & Transfers	661,975	(5,000)	656,975	651,817	5,158
7	Special Expenditure	532,200	100,216	632,416	587,450	44,966
	Total Operating Expenditure	9,940,774	183,095	10,123,869	9,842,086	281,783
8	Capital Construction	2,245,000	(146,179)	2,098,821	2,049,371	49,450
9	Capital Purchase	100,000	4,768	104,768	103,231	1,537
10	Capital Grants & Transfers	2,300,000	(57,000)	2,243,000	2,226,012	16,988
	Total Capital Expenditure	4,645,000	(198,411)	4,446,589	4,378,614	67,975
13	Value Added Tax	437,530	15,316	452,846	426,295	26,551
	TOTAL EXPENDITURE	15,023,304	---	15,023,304	14,646,995	376,309

18.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use.

18.4.1 Provincial Development Trust Fund Account

The Trust Fund Account Statement of Receipts and Payments are prepared to reflect the trust monies received and paid out by the Ministry as follows:

- One – Third (1/3) Contributions- Self Help: the Ministry assists communities through its Self-Help Programme whereby the Government contributes two third (2/3) of the costs whilst the community provides one third (1/3) of the project costs.
- Rural Housing Scheme and PM's Relief Rehabilitation: where the rural dwellers deposit the full cost of building materials for their houses to be built in the rural outer islands. The Government would negotiate and get cheaper quotes and also provide free transportation in the delivery of these materials.

Table 18.2: Provincial Development Trust Fund Account

Description	31 July 2023 (\$)	31 July 2022 (\$)
Receipts		
PM's Relief Rehabilitation Account (NDMO)	437,493	722,528
1/3 Contribution -Self Help	59,621	165,933
Total Receipts	497,114	888,461
Payments		
PM's Relief Rehabilitation Account (NDMO)	3,025	387,501
1/3 Contribution - Self Help	56,948	204,406
Total Payments	59,973	591,907
Net Surplus	437,141	296,554
GL Adjustment	3,104	---
Balance as at 1 August 2022 (1/3 Contribution)	1,349,635	1,388,108
Balance as at 1 August 2022 (PM's Relief NDMO)	3,295,254	2,960,228
Closing balance as at 31 July 2023	5,085,134	4,644,890

The reduction in receipts by \$391,347 or 44% was mainly due to decrease in funds released from Ministry's budget from SEG 10 towards Prime Minister's Relief Rehabilitation Trust Fund Account. The reduction in payments by \$531,934 or 90% was mainly due to no major expenditure incurred for Natural Disasters in 2023.

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2023.

18.5 Board of Survey Not Completed

An annual board of survey must be conducted each year to verify the existence and condition of assets recorded on the asset register provided that, for agencies that have, in the opinion of the Permanent Secretary a large asset base, the board of survey to be conducted on a cyclical basis so that all assets are checked every three years.¹

The audit noted that the Ministry did not carry out an annual board of survey to verify the existence and condition of property, plant and equipment contrary to Section 49(1) of the Finance Instructions 2010 for the year ended 31 July 2023.

Without a Board of Survey report the condition and existence of assets of the Ministry could not be substantiated.

¹ Finance Instructions 2010, Section 49(1)

Recommendation

The Ministry should ensure that officers are appointed and necessary logistic arrangements are made to undertake the annual board of survey of fixed assets and expendable items annually as required under Section 49(1) of the Finance Instructions 2010.

Agreed Management Action

Audit comments and recommendation is acknowledged.

Current Status:

Reports for HQ, CND and CWD have been completed and are awaiting ITC recommendations

Pending Reports: CCD, CED and NDMO are still finalizing their reports.

There were few major factors that contributed to the delay.

- *The Ministry had appointed staffs from other Ministry who was not able to attend and conduct the Board of Survey even though were given appointment letters and had the approval of their PS.*
- *Lack of transportation and IT personnel.*
- *Limited travelling resources for the Maritime.*

Progress

All the six Divisions are currently working on their BOS reports. The Ministry is further working on the new appointment for this FY2023-2024 to prevent repeating the same mistake.

Way Forward

As per discussion with the OAG, the Ministry has newly appointed BOS teams to carry out the BOS for both the FY 2023-2024 with effective from 15/07/24 – 26/07/24 and reports to be submitted by 30/07/24 to HQ who will further facilitate to MoF.

18.6 Significant Arrears of Revenue Balance – Recurring Issue

Accounts which are overdue must be promptly followed in accordance with the debt recovery procedures in the Finance Manual.²

The Ministry had significant arrears of revenue balance relating to business and liquor licences totaling to \$2,068,777 as at 31 July 2023. Refer to Table 18.3 below for details.

Table 18.3: Significant Arrears of Revenue as at 31/07/2023

Ageing of Debtors	Amount (\$)	Percentage (%)
Less than year	---	---
1-2 years	165,518	8
2-5 years	811,776	39
More than 5 years	1,091,483	53
Total	2,068,777	100

Delays in recovery of arrears of revenue, poses high risk of arrears of revenue becoming irrecoverable and being written off resulting in loss of Government revenue.

Recommendation

The Ministry should seek approval from Ministry of Finance and Cabinet on the way forward for recovery and recording of Arrears of Revenue.

² Finance Instructions 2010, Section 41

Agreed Management Action

Audit comments have been noted. The Ministry had discussions with the Auditors on 25 February 2021 with the Financial Reporting Unit in attendance and was agreed that the figure mentioned be zeroised as this will have no negative impact on the Government's financial position. A memo was sent to the PS Finance dated 30th of September 2021 in line with the discussion. MoF had then advised that the proposals will need SG's office advise. The response from Ministry of Finance via Memorandum 27.05.2024 whereby they have suggested for the Ministry to sought approval from Cabinet for the arrears amount to be zeroised.

Way Forward

With respect to the Arrears of Revenue stated, the Ministry had received response to our subsequent correspondences dated 12 August 2010, 11 May 2021, 30th September 2021 and 13 December 2023 in result to consultation with the Office of the Solicitor General as per reference to the PS of Finance memo subject: Request for Arrears of Zero rising, dated 27/05/2024 as per clause 2.0 (iii) quote: "We note that the nature of revenue (supposedly in arrears) as identified by the Ministry of Rural and Maritime Development and Natural Disaster (MRMD) mostly consists of non-renewal of various types of licenses. We note that MRMD only issued these licenses when potential business operators have paid for their respective licenses, no license is issued if not paid (no payment, no license). As such, we are of the view that while these are form of revenue, they are not considered in arrears. In light of the above legal guidance and given the significant amount (\$2,068,777.27) requested to be zero-rised suggest that MRMD sought cabinets approval on the same.

PART C: ASSESSMENT OF FINANCIAL REPORTING

18.7 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of Imprest by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✗
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	7 key processes completed by the due date

18.8 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Ministry was:

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

18.9 Timeliness of Draft Financial Statements

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


Rating	Timeliness of draft financial statements assessment
🌱 Effective	Acceptable draft financial statements received before 31 October 2023

18.10 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statements for signing

Head 19

Republic of Fiji Military Forces

Roles and Responsibilities

The Republic of Fiji Military Forces (RFMF) is responsible for maintaining the security and Defence of Fiji and the Fijian people, employing the latest technologies and defence strategies to address emerging security threats, and supporting the international community to reduce conflict and forge peaceful solutions around the world.

RFMF also implements a number of projects and programmes in rural and maritime regions in Fiji. As part of its contribution to the wellbeing of the Fijian people, RFMF's Engineering Corps carries out an extensive range of development projects across the country that improves the living conditions of ordinary Fijians.

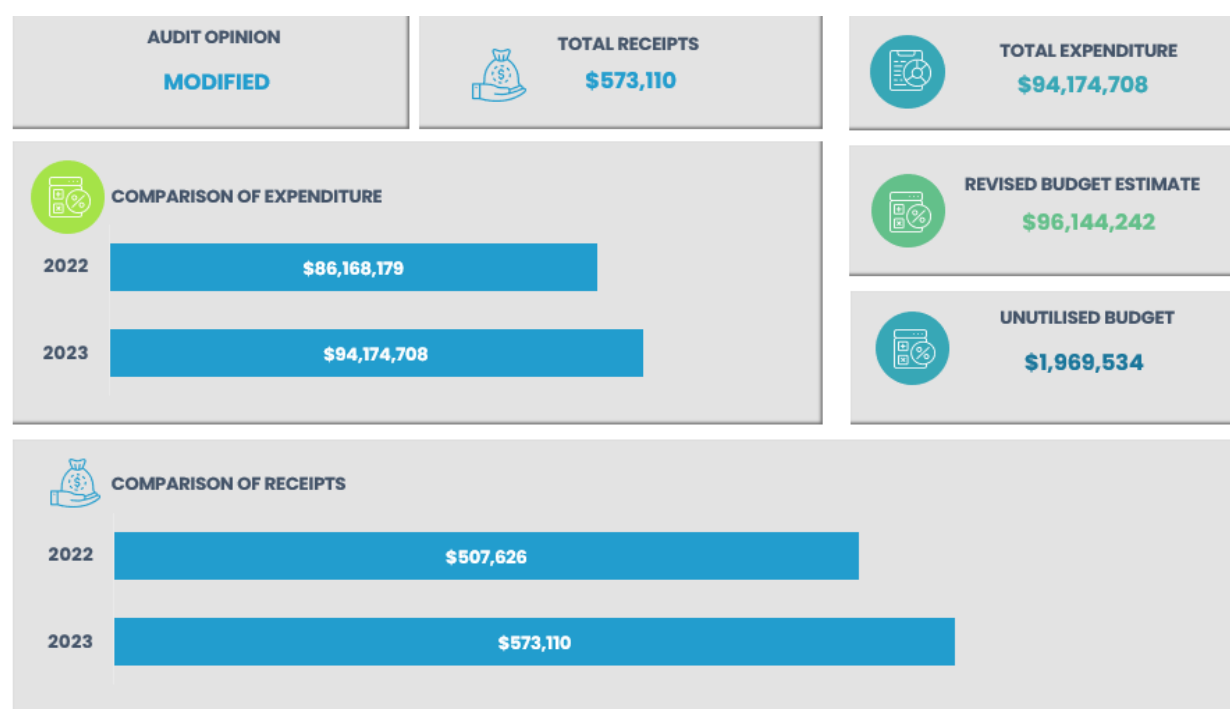
RFMF's Naval Division provides surveillance in Fiji's 1.3 million square kilometers of Exclusive Economic Zone and is also responsible for overseeing maritime search-and-rescue missions, operating the Suva Radio 3DP coastal radio station, conducting hydrographic surveys, and providing hydrographic services to mariners who traverse Fiji waters. These are mandatory services that Fiji must undertake as a responsible coastal state in order to fulfil its international obligations under various international conventions, including the United Nations Convention on the Law of the Sea.

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PART A: FINANCIAL INFORMATION

19.1 Financial Information



19.2 Audit Opinion

The audit of the 2023 financial statements of the Republic of Fiji Military Forces resulted in a modified audit opinion based on the following qualification:

An unreconciled variance of \$40,113 existed between the Plant Pool Value Added Tax (VAT) Reconciliation and general ledger balance. Consequently, the accuracy and completeness of the VAT receivable balance of \$214,449 stated in the Balance Sheet of the Plant Pool Trading Account as at 31 July 2023 could not be verified.

In addition, the following Other Matters were included:

- The Plant Pool Trading Account was operating on a semi accrual accounting basis instead of full accrual accounting. The plant and equipment which are used for the operation of the Plant Pool have not been reflected in the balance sheet of the Plant Pool Trading Account.
- The Force did not include as part of the Statement of Receipts and Expenditure the Band receipts and payments for the year ended 31 July 2023. The Force Band account receipts of \$5,300 and expenses of \$4,356 were also not recorded in the FMIS General ledger. The closing balance of the Band Trust Fund Account as at 31 July 2023 was \$7,324.

19.3 Appropriation Statement

The Force incurred expenditures totalling \$94.2 million against a revised budget of \$96.1 million resulting in unutilised budget of \$1.9 million or 2%. A total of \$573,110 in revenue was collected by the Force.

Details of expenditures against the revised budget are provided in Table 19.1.

Table 19.1: Head 19 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	70,947,072	(2,834,760)	68,112,312	67,234,329	877,983
2	Government Wage Earners	464,439	(110,000)	354,439	297,559	56,880
3	Travel & Communication	1,364,600	26,420	1,391,020	1,390,277	743
4	Maintenance & Operations	5,629,160	2,892,820	8,521,980	7,615,396	906,584
5	Purchase of Goods & Services	9,810,634	3,106,625	12,917,259	12,904,026	13,233
7	Special Expenditure	720,000	(23,365)	696,635	696,635	---
Total Operating Expenditure		88,935,905	3,057,740	91,993,645	90,138,222	1,855,423
8	Capital Construction	2,250,000	(1,237,998)	1,012,002	1,011,917	85
9	Capital Purchase	1,000,000	---	1,000,000	999,999	1
Total Capital Expenditure		3,250,000	(1,237,998)	2,012,002	2,011,916	86
13	Value Added Tax	1,869,690	268,905	2,138,595	2,024,570	114,025
TOTAL		94,055,595	2,088,647	96,144,242	94,174,708	1,969,534

The unutilised budget in SEGs 1 and 4 were due to the redeployment of funds in the month of July 2023 where the funds were not fully utilized as it was during the closing of accounts period.

19.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Republic of Fiji Military Forces operates and maintains the following trust fund bank account:

19.4.1 Engineer Project Trust Fund Account

The Engineer Project Trust Fund Account record projects of other Government agencies that were carried out by the RFMF Engineers.

Table 19.2: Engineers Project Trust Fund Account

Description	2023 (\$)	2022 (\$)
Receipts		
Miscellaneous Project	166,986	79,146
Rotuma Hospital	282,552	6,956
Homes of Hope Wailoku	---	18
Navakasiga District School	1,525	95,141
Vunivutu Project Macuata	---	46,539
New Cakaudrove Provincial Council	290,711	291,031
Total Receipts	741,774	518,831
Payments		
Miscellaneous Project	155,184	81,503
Rotuma Hospital	545,838	1,570,705
Nasamila District School	---	9,686
Namalata District School	423	---
Druadrua Footpath	---	113
Ratu Nacagilevu Primary School	---	118,230
Nukutui Village	---	26,531
Nalagi Project	---	11,064

Description	2023 (\$)	2022 (\$)
Biausevu	---	41,933
Homes of Hope Wailoku Tamavua	---	58,252
Navakasiga District School	1,525	95,141
Vunivutu Project Macuata	---	46,497
New Cakaudrove Provincial Council	398,972	---
Total Payments	1,101,942	2,059,655
Net Deficit	(360,168)	(1,540,824)
Opening balance as at 1 August	1,005,861	2,546,685
Closing balance as at 31 July	645,693	1,005,861

The increase in receipts by \$222,943 or 43% was mainly due to increase in funds received from Ministry of Health for construction of Rotuma Hospital. The reduction in payments by \$957,713 or 46% was mainly due to reduction in payments made for construction of Rotuma Hospital.

19.5 Trading and Manufacturing Account

The RFMF operates the Engineers Plant Pool trading account which was formed to construct and develop roads to the inaccessible parts of rural areas in Fiji.

Table 19.3 Trading Account – Engineers Plant Pool Trading Activity

Description	2023 (\$)	2022 (\$)
Sales		
Plant Hire	239,647	53,034
	239,647	53,034
Opening Finished Goods	---	---
Add: Cost of Manufactured Goods	---	---
Less: Closing of Hydrographic TMA Adjustment Less:	---	---
Closing Finished Goods	---	---
Cost of Goods Sold	---	---
Gross Profit transferred to Profit & Loss Statement	239,647	53,034

The TMA recorded a gross profit of \$239,647 and \$53,034 in 2023 and 2022 respectively. The increase in gross profit in 2023 was mainly due to increase in demand for plant hire which increase the revenue by \$186,613 or 352%.

Table 19.4 Profit and Loss Account – Engineers Plant Pool Trading Activity

Description	2023 (\$)	2022 (\$)
Income		
Gross profit transferred from Trading Account	239,647	53,034
Total Income	239,647	53,034
Expenses		
Fuel and oil	62,166	44,608
Repairs and maintenance	147,830	114,206
Parcel and Freight	2,642	716
Office upkeep and supplies	---	4,484
Fixed asset replacement and improvement	22,230	8,785
Minor Improvement	4,987	---
Consultant and expert fees	9,385	---
Total Expenses	249,240	172,799
Net Loss	(9,593)	(119,765)

The TMA recorded a net loss of \$9,593 and \$119,765 in 2023 and 2022 respectively. The decrease in net loss of \$110,172 or 92% in 2023 was due to increase in gross profit in 2023 by \$186,613 resulting from increase in revenue from plant hire.

Table 19.5 Balance Sheet – Engineers Plant Pool Trading Activity

Description	2023 (\$)	2022 (\$)
Assets		
Cash at Bank	22,827	32,631
Accounts Receivable	289	289
VAT Receivable	214,449	214,238
Total Assets	237,565	247,158
Liabilities		
Revenue Received in advance	---	---
Total Liabilities	---	---
Net Assets	237,565	247,158
Equity		
TMA Accumulated Surplus	247,158	366,923
Net Loss for the period	(9,593)	(119,765)
Total Equity	237,565	247,158

Total assets slightly decreased by \$9,593 or 4% in 2023 compared to 2022. The decrease in 2023 was mainly due to reduction in cash at bank which was attributed to repair and maintenance of plant, increase in consultancy payments, increase in purchase of fuel and oil for the plant which are on hire.

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Force. These have been included in this report as they impacted on the overall system of control of the Force as at 31 July 2023.

19.6 Republic of Fiji Military Forces Band Account Not Reflected in FMIS GL

Financial transactions shall be posted into the automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.¹

The Force has a Band that is employed during official ceremonial functions and military ceremonial/protocols that are in accordance with the regulated military customs & traditions, and also for public relations and community engagements as approved by the Commander RFMF.

The audit noted that the receipts from band activities of \$5,300 and band expenses totaling \$4,356 were not recorded in the FMIS General Ledger for the year ended 31 July 2023.

In addition, the audit noted that expenditures totaling \$23,233 were incurred from Fund 1 SEG 5² for the purchase of band equipment. Refer to Table 19.6 below for band items purchased in the financial year 2023.

Table 19.6: Band Items Purchased during FY 2023

Date	Payment ID	Description	Amount (\$)
28/12/2022	73320	Purchase of band equipment	10,270
31/01/2023	74084	Purchase of band stand banner (RFMF Band)	12,963
Total			23,233

The closing balance of the RFMF Band Account was \$7,324.36³ as at 31 July 2023. The audit was also not provided with any policy/guideline on the operation of Band Account.

This indicated that there is an absence of the internal control mechanism to analyze and reconcile the Force's Band monies records into the FMIS General Ledger.

¹ RFMF Finance Manual 2017 Section 1.16.1.10

² 1-19101-19999-050157

³ Bank Account Number 1085133

Recommendations

The Force should:

- liaise with Ministry of Finance on reflecting the Force's Band account in the FMIS General Ledger as receipts are derived from providing services to the public by officers while on duty.
- ensure that all revenue generated from the hire of the band are deposited into the Consolidated Fund Account.

Agreed Management Comments

OAG comments are noted. The RFMF will comply with the recommendations.

19.7 Significant Outstanding Accounts Receivable Balance

The Accounts Receivables account is made up of the Malaya Pension account and the Malaya Widow Pension account. These accounts record the pension payments made to former soldiers who served in Malaya from 1952 to 1956. Payment is processed from SAG 56 account allocation to the pensioner and is cleared to Head 51 (Ministry of Finance) when RFMF receives the reimbursement from the relevant authority.

As at 31 July 2023, the Accounts Receivable Account had a debit balance of \$1,064,071. The audit noted that this balance has been increasing over the years and remains outstanding as at 31 July 2023. Refer to Table 19.7 and 19.8 below for details:

Table 19.7: Significant Outstanding Accounts Receivable Balance

Account Description	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)
Malaya Pension	767,983	779,500	788,457	797,413	806,370
Malaya Widow Pension	136,301	151,801	188,085	223,529	257,701
Total	904,284	931,301	976,542	1,020,942	1,064,071

Table 19.8: Ageing of Debtors – Malaya Pension & Malaya Widow Pension

Months	Malaya Pension (\$)	Malaya Widow Pension (\$)	Total (\$)
0-3 months	2,411	9,200	11,611
4-6 months	2,067	7,886	9,953
7-9 months	689	2,629	3,318
10-12 months	---	---	---
12 months +	801,203	237,986	1,039,189
Total	806,370	257,701	1,064,071

This was due to prior years outstanding balance for the accounts receivable not promptly recovered.

Recommendation

The Force should investigate and follow up with relevant authority on the reimbursement of funds so that the outstanding balance is reduced/cleared.

Agreed Management Comments

Audit findings and recommendations are duly noted. The RFMF will be meeting the new UK Defense attaché to discuss the issue.

19.8 Anomalies noted in the Trade and Manufacturing Account-Recurring Issue

The Staff Officer Ledgers must reconcile all accounts to be submitted to Ministry of Finance within two weeks after the closing of each monthly account.⁴

Review of the Trade and Manufacturing Account (TMA) revealed unreconciled variance of \$40,113 in VAT receivable between Statement of VAT Account and FMIS General Ledger. Refer to Table 19.9 below for details.

Table 19.9: Variances in VAT Receivable

Particulars	2022 Amount (\$)	2023 Amount (\$)
VAT receivables as per Statement of VAT Account	244,781	254,562
VAT receivables as per FMIS GL/Financial statements	214,238	214,449
Variance	30,543	40,113

In addition, the Plant Pool Trading Account is operating on a semi accrual accounting basis instead of full accrual accounting. The plant and equipment which are used for the operation of the Plant Pool have not been reflected in the balance sheet of the PlantPool Trading Account.

The absence of carrying out reconciliation between the Statement of VAT account from FRCS and VAT balances in FMIS general ledger has resulted in the variances.

Recommendation

The Force must ensure that reconciliations are carried out regularly between the VAT Receivables General Ledger (FMIS) balance and the TMA's Statement of VAT Account.

Agreed Management Comments

OAG comments are noted. The RFMF will ensure that all vendors are registered with a business TIN. The RFMF will conduct proper reconciliations before closing the TMA by 31 July 24.

⁴ RFMF Finance Manual 2017 Section XVII, 1.17.1.10


PART C: ASSESSMENT OF FINANCIAL REPORTING

19.9 Preparation of Draft Agency Financial Statements

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


KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023		Processing of virements by 18 August 2023	
Retirement of imprests by 14 July 2023		Completion of reconciliations by 25 August 2023	
Processing of payments by 28 July 2023		Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023		Clearance of Inter-Department Clearing accounts by 08 August 2023	

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
 Generally Effective	5 key processes completed by the due date


19.10 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Force was:

Rating	Quality of draft financial statements assessment
 Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

19.11 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
 Ineffective	Acceptable draft financial statements received after 31 October 2023

19.12 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statements for signing

Head 20**Fiji Police Force****Roles and Responsibilities**

The Fiji Police Force is responsible for maintaining law and order in Fijian society by employing best practices in police work and using modern technologies and innovative strategies to prevent criminal activity.

The Fiji Police Force engages in a wide range of activities to maintain professional personnel that are well-trained and well-equipped to handle evolving criminal threats.

The Force is currently seeking to expand the reach of its services through the construction of new facilities and to improve response times and investigate effectiveness by procuring new specialised equipment, including vehicles, communication equipment and forensic science tools.

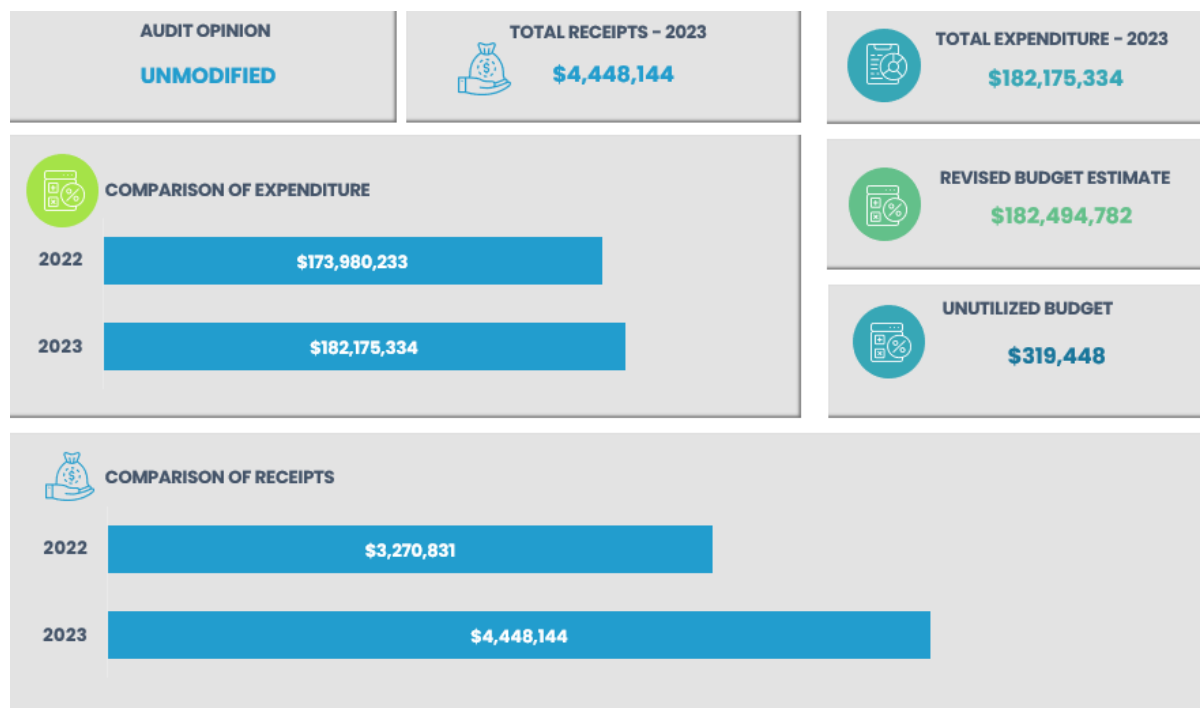
The Force's efforts to integrate new technology will also help address crimes of increasing levels of sophistication, particularly the investigation and prevention of cybercrimes.

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PART A: FINANCIAL INFORMATION

20.1 Financial Information



20.2 Audit Opinion

The audit of the 2023 financial statements for the Fiji Police Force resulted in an unmodified audit opinion.

However, attention was drawn to the following:

An unreconciled variance of \$379,352 exists between the total revenue balance of \$4,448,144 reflected in the Statement of Receipts and Expenditure and the Bank Lodgement clearance (BLC) account for the year ended 31 July 2023.

In addition, the following other matter paragraphs was included:

- The internal control over clearance of Operating Trust Fund and Accounts Receivable balances were generally weak. The Operating Trust Fund account balance of \$2,748,442 for the year ended 31 July 2023, comprised of 89% carried forward balance from previous years and the Accounts Receivable balance of \$90,967 for the year ended 31 July 2023 comprised of carried forward balance from previous years.
- The Force did not include as part of the Statement of Receipts and Expenditure the Fiji Police Force Band Trust Fund Account receipts and payments for the year ended 31 July 2023. The Force Band account transactions were also not recorded in the FMIS General ledger. The closing balance of the Band Trust Fund Account as at 31 July 2023 was \$9,205.

20.3 Appropriation Statement

The Force incurred expenditures totalling \$182.2 million against a revised budget of \$182.5 million resulting in unutilised budget of \$0.3 million or 0.2%. A total of \$4.4 million in revenue was collected by the Force.

Details of expenditures against the revised budget are provided in Table 20.1.

Table 20.1: Head 20 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	139,605,497	(237,511)	139,367,986	139,357,460	10,526
2	Government Wage Earners	1,368,379	(134,621)	1,233,758	1,233,758	---
3	Travel & Communications	4,893,500	1,389,898	6,283,398	6,283,398	---
4	Maintenance & Operations	10,031,000	(331,123)	9,699,877	9,680,477	19,400
5	Purchase of Goods & Services	7,250,263	215,335	7,465,598	7,465,593	5
6	Operating Grants & Transfers	50,000	32,809	82,809	82,809	---
7	Special Expenditure	1,969,000	(337,544)	1,631,456	1,631,456	---
	Total Operating Expenditure	165,167,639	597,243	165,764,882	165,734,951	29,931
8	Capital Construction	11,500,000	46,397	11,546,397	11,306,744	239,653
9	Capital Purchase	2,265,755	(465,011)	1,800,744	1,750,880	49,864
	Total Capital Expenditure	13,765,755	(418,614)	13,347,141	13,057,624	289,517
13	Value Added Tax	3,711,900	(329,141)	3,382,759	3,382,759	---
	TOTAL	182,645,294	(150,512)	182,494,782	182,175,334	319,448

PART B: OTHER SIGNIFICANT MATTERS

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

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Force. These have been included in this report as they impacted on the overall system of control of the Force as at 31 July 2023.

20.4 Records Under Police Investigation

Each agency must have in place a cost-effective system of internal controls which –

- a) safeguards money and property against loss;
- b) avoids or detects accounting errors; and
- c) avoids unfavorable audit reports.¹

Audit was not able to verify advances worth \$182,809 and supporting acquittals worth \$63,009 due to these records being under police investigation which relates to financial year ended 31 July 2022.

Audit has followed up on the investigation in the current audit for the year ended 31 July 2023 and noted that the investigation was still in progress. Refer to **Appendix 20.1** for details.

This finding indicated that the responsible officers may not have been vigilant in their work and the lack of supervisory checks to ensure that the internal controls in place were effective. As a result, audit could not ascertain the completeness and accuracy of these payments.

Recommendations

The Force should ensure that:

- **supervisory and review functions are strengthened.**
- **the internal control mechanism in place is effective to avoid any possibilities of misuse of public funds.**

Agreed Management Comments

Investigations is on-going and Director CID has agreed for the auditors to view and verify the acquittals related to the Kasa Operation and the CID funds.

¹ Finance Instructions 2010 – Part 10 Section 59(1)

20.5 Variance between Bank Lodgements and Total Revenue - Recurring Issue

Within five working days of the Ministry of Finance issuing the monthly General Ledger Reports, the Assistant Accounts Officer Revenue shall reconcile the revenue figures in the report to the Revenue Statement.² Similarly, the Inter-Departmental Clearance Account balances must be reconciled.³

The audit noted an unreconciled variance of \$379,352 between the Total Revenue balance of \$4,448,144 reflected in the Statement of Receipts and Expenditure and the Bank Lodgement Clearance (BLC) account for the year ended 31 July 2023. Refer to Table 20.2 below for details.

Table 20.2: Variance between Bank Lodgements and Revenue in FMIS GL

Description	31/07/2022 (\$)	31/07/2023 (\$)
Total Police Clearance	3,043,366	4,172,805
Add Miscellaneous Revenue/Commission	227,465	275,339
Total Revenue (A)	3,270,831	4,448,144
Total BLC Lodgement	2,905,435	4,068,792
Less VAT Portion	239,898	---
Total Cash Lodgements (B)	2,665,537	4,068,792
Variance (A – B)	605,294	379,352

Variances between critical records indicated the existence of errors and omissions.

Recommendation

The Force should ensure that Bank Lodgements and Revenue balances recorded in FMIS General Ledger are reconciled in a timely manner.

Agreed Management Comments

As per the Audit report, variance of \$379,352 is noted between the BLC posting and the records maintained by the CRO. The revenue clerk has been tasked to reconcile the records.

20.6 Balances Carried Forward for Operating Trust Fund Account - Recurring Issue

Where charges are for payments to organisations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organisations, the creditor account shall be debited.⁴

The closing balance for operating trust fund account as at 31 July 2023 was \$2,748,442. This included significant outstanding balance of \$2,441,055 or 89% carried forward from previous year without any or minimal movement noted during the year. Refer to Table 20.3 below for details.

² *Fiji Police Finance Manual 2015 - Section 5.5.12*

³ *Fiji Police Finance Manual 2015 - Section 5.5.13*

⁴ *Fiji Police Finance Manual 2015 - Section 4.7.3*

Table 20.3: Details of balances carried forward for operating trust fund account

Allocation	Outstanding Balance (\$)		Movement (\$)
	31/07/22	31/07/23	
12010120101861210	213,411	213,411	---
12010120101861517	659,486	659,486	---
12010120101861902	156,541	122,642	(33,899)
12010120101861917	201,558	96,934	(104,624)
12010120101861920	284,958	284,958	---
12010120101863201	1,103,143	1,063,624	(39,519)
TOTAL	2,619,097	2,441,055	(178,042)

This indicated possibility of mis-postings, non-clearance of the various deductions to respective authorities/organisations or the non-clearance of the entries on a timely manner. The balance was carried forward from the previous year and the Force was still in process of identifying and verifying the postings.

Recommendations

- The Force should maintain its vigilant control to ensure timely clearance of the operating trust balance and review the postings made in the FMIS General Ledger.
- Alternatively, the Force may consider liaising directly with the relevant authorities and seek confirmation that all dues have been cleared for the respective periods.

Agreed Management Comments

- Police Welfare Scheme – Has confirmed that there is no outstanding payment from the organization.
- Police Credit Union – Has confirmed that there is no major payment pending from the organization except for the contributions of two officers (former employee of FPF) who opted to be member of the credit union.
- Department Account Recoverable – this consist of accountable advance interest, meal recovery for recruits, refund for meal deduction and recovery for payment of utility bills.
- Improved Forestry – this is for the 10% retention for the project and capital constructions.
- Employees FNPF – this consist of contribution for members who had withdrawn their funds and opted to rejoin, their contributions are yet to paid to FNPF. Also, members who had fully withdrawn and are yet to receive their refund.
- Vat from Provision of Goods & Services – this account has been reconciled and charges have been identified and needed to be written off due to misallocation.

20.7 Outstanding Accounts Receivables Balances - Recurring Issue

A register of debtors shall be maintained to record details of people or organisations that have been approved to buy goods or services on credit from the agency. The Force Accountant must ensure that the register is kept updated.⁵

The closing balance for Accounts Receivable account as at 31 July 2023 was \$90,967. Review of the FMIS general ledger revealed that 100% or \$90,967 have been carried forward from previous years without any movement noted during the year. Refer to Table 20.4 below for details:

Table 20.4: Details of outstanding accounts receivable balances

Allocation	Description	Outstanding Balance (\$)			Movement (\$)
		31/07/21	31/07/22	31/07/23	
1-20101-20101-560103	Accounts Receivables	90,967	90,967	90,967	-

⁵ Fiji Police Finance Manual 2015 - Section 8.1.3

Failure to accurately perform reconciliation of Account Receivables has resulted in carried forward balances from prior years.

Recommendation

The outstanding balances from previous years should be reviewed by the Force and necessary accounting adjustments should be made.

Agreed Management Comments

The aging report for the outstanding amount of \$90,967 has been prepared and we will seek A/COMPOL's approval for these to be adjusted in these current operating expenditures in order to clear the Accounts Receivable balance otherwise for the same amount to be written off.

20.8 Police Band Trust Fund Not Reflected in FMIS GL - Recurring Issue

Each year the Deputy Force Accountant shall prepare an annual trust receipts & payments statement within two weeks of the end of the year.⁶ The audited financial statement of trust balances shall be included in the agency's annual report.⁷ Financial transactions shall be posted into automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.⁸

The Force's Band Trust Fund records the receipts and payments incurred for the band entertainment provided to general public on request. The audit noted that, these transactions were neither recorded in the FMIS General Ledger (GL) nor reflected in the Force's Financial Statements. The closing balance of the band trust fund was \$16,424 and \$9,205 as at 31 July 2022 and as at 31 July 2023 respectively.

The absence of request by the Force to Ministry of Finance to create a Trust Fund Account allocation has resulted in the transactions not recorded in FMIS General Ledger.

Recommendations

The Force should:

- **liaise with Ministry of Finance on reflecting the Police Band Trust Fund account in the FMIS General Ledger as receipts are derived from providing service to general public by Officers while on duty.**
- **ensure that all revenue generated from the hire of band should be deposited into Consolidated Fund Account while the expenses should be channeled through the normal budgetary process.**
- **develop a policy on the use of Police Band Trust Fund.**

Agreed Management Comments

The management to request for the creation of operating trust fund allocation (Fund 9) to capture the income and expenditure for the band unit.

⁶ *Fiji Police Finance Manual 2015 - Section 14.4.5*

⁷ *Fiji Police Finance Manual 2015 - Section 14.8.8*

⁸ *Fiji Police Finance Manual 2015 - Section 15.2.1*

20.9 Fixed Assets Register Not Updated - Recurring Issue

All assets acquired with a cost in excess of \$2000, shall be recorded in the Assets Module of the FMIS or a fixed assets register.⁹ The Officer In-charge – Stores, Divisional Police Commanders, Unit/Formation Heads shall be responsible for maintaining the fixed assets register. The fixed assets register shall provide the following details:

- i. date of acquisition (including if asset was acquired by transfer, gift or second-hand) and cost;
- ii. description;
- iii. serial number and model;
- iv. location;
- v. other relevant information (e.g. if asset is sold or written off).¹⁰

Review of sample payments revealed that fixed assets worth \$574,960 were not recorded in the Fixed Assets Register (FAR). Refer to Table 20.5 below for details for examples of fixed assets purchased during 2023 financial year which was not recorded in the FAR.

Table 20.5: Assets Not Recorded in the Fixed Asset Register

Date	EFT No.	Voucher No.	Description	Amount (\$)
24/01/2023	900000071063	269322	Payment for 4 laser speed detector	34,712
03/11/2022	900000068355	264436	Payment for Solar Power System	8,073
03/11/2022	900000068355	264436	Payment for Inverter/charger	6,055
01/12/2022	900000069449	266665	Payment for Solar Power System	43,395
14/02/2023	900000071742	270450	Payment for Solar Power System	24,587
14/02/2023	900000071742	270450	Payment for Solar Power System	15,565
14/02/2023	900000071742	270450	Payment for Solar Power System	4,128
20/07/2023	900000077001	280406	Payment for Solar Power System	43,237
21/03/2023	900000072850	272527	Payment for CCTV Peripherals	2,300
24/07/2023	900000077071	280531	Payment for equipment	56,357
12/05/2023	900000074769	276326	Payment for 20 men tent	45,872
23/05/2023	900000075127	276834	Payment for 2 Genset Electric Start	4,870
30/06/2023	900000076378	279127	Payment for 29 fleet boat	37,982
28/07/2023	900000077241	280796	Payment for 2 outbound engine	29,798
03/11/2022	900000068273	264369	Payment for 18 laptops	40,459
03/11/2022	900000068273	264354	Payment for 2 laptops	7,431
10/11/2022	900000068559	264862	Payment for interactive panel	9,173
17/11/2022	900000068961	265495	Payment for 20 desktop	45,486
21/11/2022	900000069059	265676	Payment for Projector	5,430
15/12/2022	900000069840	267256	Payment of 8 Desktop computers	18,195
06/01/2023	900000070550	268509	Payment for 20 desktop	45,486
12/01/2023	900000070677	268673	Payment of 5 colour printers	22,294
08/02/2023	900000071531	270114	Payment for Printers	8,155
21/03/2023	900000072858	272550	Payment for 7 Desktops	15,920
TOTAL				574,960

⁹ Fiji Police Finance Manual 2015 – Section 10.1.3

¹⁰ Fiji Police Finance Manual 2015 – Section 10.2.1

The finding indicates failure on the part of the Officer responsible for updating the fixed asset register on a timely manner. This increases the risk of loss of fixed assets through theft and damages without being detected.

Recommendation

The Force should ensure that all items valued above \$2,000 are recorded in the Fixed Asset Register upon purchase and the Fixed Asset Register is up to date.

Agreed Management Comments

A team has been formed and tasked to update the Fixed Asset Register backdated to 2021. These data will also be required to be updated into the new Bisan System.

20.10 Absence of an Approved Human Resources Manual - Recurring Issue

The Human Resources Manual is intended to serve as a guide to the management of all officers of the Force on all aspects in the management of human resource personnel. It will also ensure that terms and conditions and related policies are correctly implemented.

The audit noted that the Force currently does not have an approved Human Resource Manual.

The absence of an approved Human Resource Manual was due to draft Manual awaiting final endorsement. Absence of an approved Human Resources Manual may lead to inconsistent application of procedures.

Recommendation

The Force should expedite the endorsement of the Human Resource Manual to guide all employees of the Force and targeted officers who are involved in the execution of the human resources function.

Agreed Management Comments

The HR manual is still under process.

20.11 Storage of Exhibits – Valelevu Police Station - Recurring Issue

Exhibits shall be stored in the Exhibit Store in chronological order. Where an exhibit is not kept in the Exhibit Store a card will be placed in the relevant place in the store indicating where the exhibit is kept.¹¹

The audit carried out site visit of Exhibit Room on 13/4/23 and noted the following at the Valelevu Police Station:

- The exhibit rooms used at the station are small and congested.
- Exhibits were not systematically arranged in chronological order.
- Instances were noted where articles in the exhibits were stacked on top of one another.
- One of the containers used as storage had a jammed lock and could not be opened on the day of audit visit.

On 24/01/24, audit made a follow up visit to the Valelevu Police Station and noted that there were no changes to the storage of the Exhibit and the issues highlighted above remains. Refer to **Appendix 20.2** for details.

Inadequate storage space poses challenges in systematically arranging exhibits and maintaining tidiness of exhibit rooms. This can lead to exhibits being damaged or misplaced.

Recommendations

The Force should:

- ensure that all exhibits are properly stored in a safe and secured room at all times.
- ensure that the exhibits are maintained in chronological order and exhibit rooms are always kept clean and tidy.

Agreed Management Comments

For the Valelevu Police Station exhibit room – the issue raised have been taken into consideration and Station Office Valelevu has been advice to submit request for the purchase of material for making shelves and cabinet in the exhibit room.

¹¹ Force Standing Order No.203 – Section 21

PART C: ASSESSMENT OF FINANCIAL REPORTING

20.12 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of imprests by 14 July 2023	✓	Completion of reconciliations by 25 August 2023	✓
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	✓
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	✓

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
Effective	All 8 key processes completed by the due date

20.13 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Fiji Police Force was:

Rating	Quality of draft financial statements assessment
Effective	No adjustments required

20.14 Timeliness of Draft Financial Statements


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


Rating	Timeliness of draft financial statements assessment
Effective	Acceptable draft financial statements received before 31 October 2023

20.15 Timeliness of Provision for Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signed Financial Statements Received
 Effective	Within 14 days from the issue date of audited Financial Statement for signing

APPENDIX 20.1: Details of Advances and Supporting Acquittals

1. Details of advances under investigation

Date	EFT Number	Voucher Number	Amount (\$)
22/09/2021	900000013059	243050	20,158
09/11/2021	900000013194	244887	21,579
09/11/2021	900000013194	244889	18,493
21/01/2022	900000013382	247735	13,119
25/01/2022	900000013415	247883	9,725
28/01/2022	900000013438	248069	17,229
28/01/2022	900000013439	248071	13,175
28/02/2022	900000013558	249670	21,579
11/03/2022	900000013562	250229	24,776
21/04/2022	900000013708	252415	22,976
			182,809

2. Details of supporting acquittals under police investigation

Date	EFT Number	Voucher Number	Amount (\$)
13/08/2021	900000731004	241904	8,000
02/11/2021	000000731033	244593	10,000
12/05/2022	000000731075	253895	10,000
14/02/2022	900000058934	248924	5,009
20/04/2022	000000731070	252298	10,000
27/06/2022	000000731087	256497	10,000
11/07/2022	000000731095	257695	10,000
			63,009

APPENDIX 20.2: Examples of the Improper Storage at the Valelevu Police Station Exhibit

Exhibit Room at Valelevu Police Station - Date of Visit 13/04/23

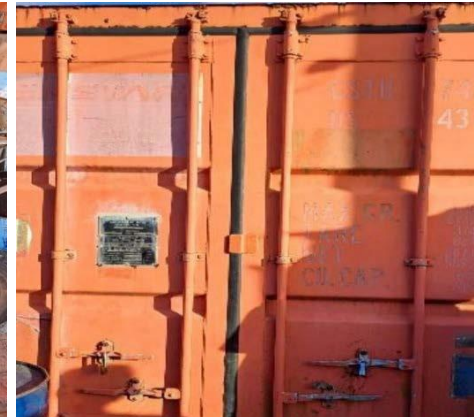


Exhibit Room at Valelevu Police Station - Date of Visit 24/01/24



Head 49

Peacekeeping Missions

Roles and Responsibilities

For more than 40 years, Fiji has responded to the call of the United Nations ('UN') to serve in some of the most difficult circumstances around the world. Fiji has proudly contributed troops to successive peacekeeping operations in Lebanon, Sinai, Iraq, Syria, Timor - Leste, South Sudan, Darfur, Liberia, Bosnia, Kosovo, Kuwait, Namibia, Cambodia and the Solomon Islands.

The Republic of Fiji Military Force and the Fiji Police Force currently have personnel deployed on UN missions in Syria, Iraq, Lebanon, South Sudan and Sinai.

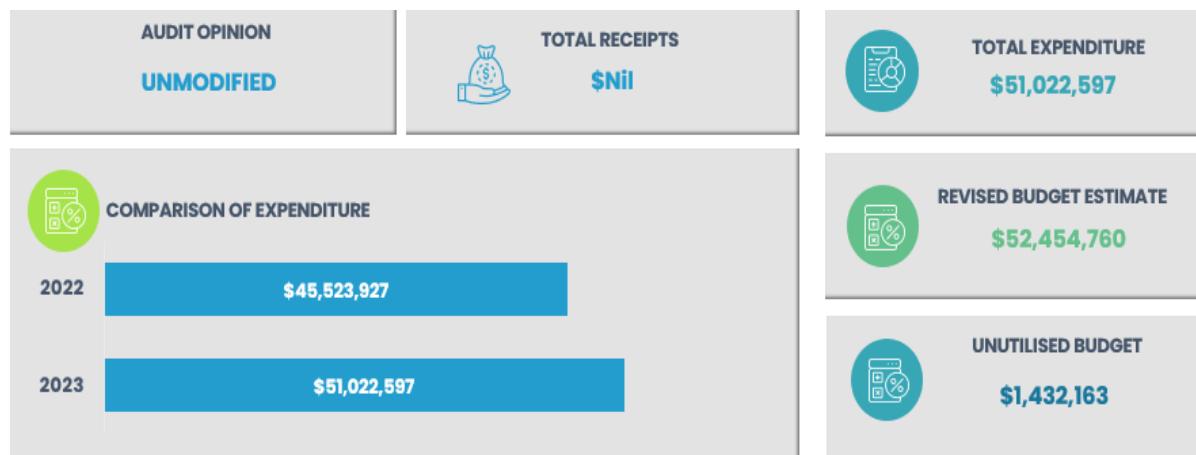
The UN Security Council mandate for peacekeeping operations calls for security personnel deployed to conflict zones under UN authority to maintain or restore international peace and security, exclusively in the common interest of the international community; disengage the conflict parties; create conditions for peaceful settlement of a conflict; monitor ceasefire peace agreements; and render humanitarian assistance to civilian populations in the area of deployment

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PART A: FINANCIAL INFORMATION

49.1 Financial Information



49.2 Audit Opinion

The audit of the 2023 financial statements of the Peacekeeping Missions resulted in an unmodified audit opinion.

49.3 Appropriation Statement

The Mission incurred expenditures totalling \$51 million against a revised budget of \$52.4 million resulting in unutilised budget of \$1.4 million or 2.7%.

Details of expenditures against the revised budget are provided in Table 49.1.

Table 49.1: Head 49 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	42,866,369	1,340,233	44,206,602	42,968,822	1,237,780
3	Travel & Communication	468,960	309,402	778,362	772,376	5,986
4	Maintenance & Operations	728,682	76,023	804,705	653,182	151,523
5	Purchase of Goods & Services	2,472,053	11,853	2,483,906	2,450,633	33,273
7	Special Expenditure	650,000	(127,552)	522,448	522,447	1
Total Operating Expenditure		47,186,064	1,609,959	48,796,023	47,367,460	1,428,563
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	3,000,000	---	3,000,000	3,000,000	---
10	Capital Grants & Transfers	---	---	---	---	---
Total Capital Expenditure		3,000,000	---	3,000,000	3,000,000	---
13	Value Added Tax	658,737	---	658,737	655,137	3,600
TOTAL		50,844,801	1,609,959	52,454,760	51,022,597	1,432,163

PART B: ASSESSMENT OF FINANCIAL REPORTING

49.4 Preparation of Draft Agency Financial Statements

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

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 18 July 2023	✓	Processing of virement by 18 August 2023	✓
Retirement of Imprest by 14 July 2023	N/A	Completion of reconciliations by 25 August 2023	N/A
Processing of payments by 28 July 2023	✓	Submission of arrears of revenue return by 25 August 2023	N/A
Closing date for journal adjustments by 17 August 2023	✓	Clearance of Inter-departmental clearance accounts by 08 August 2023	N/A

Based on information received, we have assessed the 2023 year-end closing process as:

Rating	Year-end closing process assessment
★ Effective	All key processes completed by the due date

49.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Mission was:

Rating	Quality of draft financial statements assessment
★ Effective	No adjustments required

49.6 Timeliness of Draft Financial Statements

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


Rating	Timeliness of draft financial statements assessment
★ Ineffective	Acceptable draft financial statements received after 31 October 2023

49.7 Timeliness of Provision for Management Comments and Financial Statements for Signing

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the dates the draft management letter and audited financial

statements were issued and the date management comments and signed financial statements were received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of Management Comments Received
 Ineffective	After 14 days from the issue date of Draft Management Letter

Rating	Timeliness of Signed Financial Statements Received
 Ineffective	After 14 days from the issue date of audited Financial Statements for signing



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