



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR - GENERAL OF THE REPUBLIC OF FIJI

2024 AUDIT REPORT ECONOMIC SERVICES SECTOR



PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO. 85 of 2025



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji



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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 102

31 July 2025

The Honourable Filimone Jitoko
Speaker of the Parliament of the Republic of Fiji
Government Building
Constitution Avenue
SUVA

Dear Sir

2024 AUDIT REPORT ON ECONOMIC SERVICES SECTOR

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the completed audits under Economic Services Sector for the financial year 2024.

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 and the Audit Act 2025. The Auditor-General is the responsible authority for the Office of the Auditor-General.

The Auditor-General, on behalf of Parliament, has the duty to audit for each financial year the 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 Auditor-General's report to Parliament under section 152(1) of the Constitution may include, in addition to matters specified in section 152(2) of the Constitution, a report on significant matters that the Auditor-General intends to bring to the attention of Parliament arising from the audits. This report satisfies the requirements of the Constitution and the Audit Act 2025.

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

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1.0 SECTOR SUMMARY

All ministries and departments prepare annual agency financial statements. Permanent Secretaries and the management of these agencies are responsible for the preparation and fair presentation of the financial statements in accordance with requirements of the Financial Management Act (FMA) 2004 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 Economic Services Sector:

| | |
|---------|--|
| Head 31 | Ministry of Fisheries |
| Head 32 | Ministry of Forestry |
| Head 34 | Ministry of Trade, Co-operatives, Small and Medium Enterprise and Communications |
| Head 35 | Ministry of Multi-Ethnic Affairs and Sugar Industry |
| Head 37 | Ministry of Local Government |
| Head 38 | Ministry of Tourism and Civil Aviation |

Results of Audits - Quality and Timeliness of Financial Statements

The audits resulted in the issuing of unmodified audit opinions on all Ministries. The submissions of timely and acceptable draft financial statements for audits have improved.

The details are contained in [Section 2.0 and 3.0](#).

As at July 2025, the audits of the Ministry of Agriculture and the Ministry of Lands were not yet finalised, thus not included in this report.

2.0 AUDIT OPINION

The main outcome of an audit is the independent auditor's report on the agency financial statements that are prepared and submitted to the Auditor-General.

Comparatively, for the 2024 financial year, the quality of the agency financial statements for the agencies under the Economic Services Sector has improved. This indicated that significant matters reported in the independent auditors' reports were given adequate attention and as a result they were resolved during the financial year.

All six agencies were issued with unmodified audit opinions.

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

| Head of Appropriation/Ministry | 2024 Financial Year | | 2023 Financial Year | 2022 Financial Year |
|---|--------------------------|--------------------|------------------------|------------------------|
| | Date Audit Report Signed | Audit Opinion Type | Audit Opinion Type | Audit Opinion Type |
| 31. Ministry of Fisheries | 15/05/2025 | Unmodified | Unmodified | Unmodified |
| 32. Ministry of Forestry | 10/04/2025 | Unmodified | Unmodified | Unmodified |
| 34. Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications | 30/04/2025 | Unmodified | Unmodified | Unmodified |
| 35. Ministry of Multi-Ethnic Affairs and Sugar Industry | 06/01/2025 | Unmodified | Unmodified | Unmodified |
| 37. Ministry of Local Government | 11/03/2025 | Unmodified | Unmodified | Unmodified |
| 38. Ministry of Tourism and Civil Aviation | 11/03/2025 | Unmodified | - | - |

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.

Ministries/Departments must prepare and make publicly available, for each financial year, an annual report which must be tabled in Parliament by the responsible Minister. The annual report must include the audited annual financial statements and audit report issued by the Auditor-General for the financial year. Details of our assessments are provided under [Section 3.5 – Assessment Results Summary](#).

3.1 Preparation of Draft Agency Financial Statements

Each Ministry/Department must prepare the following statements as required by Section 71 (1) of the Finance Instructions 2010 (FI 2010) as part of annual financial statements:

- Statement of receipts and expenditures;
- Profit and loss statement for each trading and manufacturing activity (where applicable);
- Appropriation statement;
- Statement of assets and liabilities for each trading and manufacturing activity (where applicable);
- Notes to the statement of assets and liabilities for each trading and manufacturing activity (where applicable);
- Statement of losses; and
- Trust account statement of receipts and payments (where applicable).

Except for Trading and Manufacturing Accounts (TMA) which are accounted for on accrual basis, ministries/departments prepare their financial statements in accordance with FMA 2004 and FI 2010.

On 28 March 2024, the Permanent Secretary for Finance issued Circular No. 04/2023-2024 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji's Foreign Missions in which procedures for the closing of the 2024 accounts and timelines were detailed.

1. Cancellation of unprocessed purchase orders by 08 July 2024
2. Retirement of Imprest by 10 July 2024
3. Processing of payments by 24 July 2024
4. Clearance of Interdepartmental clearance accounts by 02 August 2024
5. Closing date for journal adjustments by 15 August 2024
6. Processing of virement by 16 August 2024
7. Completion of reconciliation by 26 August 2024
8. Submission of Arrears of Revenue Return by 23 August 2024

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 processes completed by the due date |

3.2 Quality of Draft Financial Statements

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

We assessed the quality of financial statements by the impact these adjustments had on the total expenditure, operating results or net assets of the entity.

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

3.3 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 2024. |
| Ineffective | Acceptable draft financial statements received after 31 October 2024. |

3.4 Timeliness 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 to the entities and the dates the management comments and the signed accounts were received.

| Rating | Timeliness of Management Comments |
|-------------|---|
| Effective | Within 14 days from the issue of Draft Management Letter |
| Ineffective | After 14 days from the issue of Draft Management Letter |
| Rating | Timeliness of Signed Financial Statements |
| Effective | Within 14 days from the issue of Financial Statements for signing |
| Ineffective | After 14 days from the issue of Financial Statements for signing |

3.5 Assessment Result Summary

The table below comparatively summarises our assessments of the financial statements preparing processes and timeliness of responses for the past three years. The Department of Tourism was reported under Head 34 - Ministry of Trade in the 2022 and 2023 financial years. The Department of Civil Aviation was reported under Head 3 - Office of the Attorney-General in the 2022 and 2023 financial years.

The details of the assessments are included in each Section/Head.

| Ministry or Department | Financial Statement Preparation | | | | | | | | | Responses to OAG | | | | | |
|---|---------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|------------------|-----|-----|------|-----|-----|
| | T | | | YE | | | Q | | | TMC | | | TSFS | | |
| Financial Year | '24 | '23 | '22 | '24 | '23 | '22 | '24 | '23 | '22 | '24 | '23 | '22 | '24 | '23 | '22 |
| Economic Services Sector | | | | | | | | | | | | | | | |
| 31. Ministry of Fishery | 🟢 | 🟢 | 🟢 | 🟡 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🔴 | 🟢 | 🟢 | 🔴 | 🟢 | 🟢 |
| 32. Ministry of Forestry | 🟢 | 🟢 | 🟢 | 🟡 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| 34. Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| 35. Ministry of Multi-Ethnic Affairs and Sugar Industry | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| 37. Ministry of Local Government | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🔴 | 🟢 | 🟢 | 🟢 |
| 38. Ministry of Tourism and Civil Aviation | 🟢 | N/A | N/A | 🟡 | N/A | N/A | 🟢 | N/A | N/A | 🟢 | N/A | N/A | 🟢 | N/A | N/A |

'24 = 2024 '23 = 2023 '22 = 2022

T=Timeliness of draft financial statements

Q=Quality of draft financial statements

YE= Year-end close processes

MA=Monitoring Activities

TMC= Timeliness of Management Comments provided

TSFS= Timeliness of Signed Audited financial statements

Head 31

Ministry of Fisheries

Roles and Responsibilities

The Ministry of Fisheries is mandated to lead a nationwide effort for sustainably managing and developing Fiji’s fisheries, aiming to maximise socio-economic benefits while ensuring their long-term sustainability. This is accomplished through robust collaboration with a wide array of stakeholders, including resource owners which consists of subsistence fishers in remote islands, rural villages, and informal settlements; inshore and offshore commercial fishers. The core principle guiding these efforts is the sustainable management of marine resources to support food security and drive economic growth.

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PART A: FINANCIAL INFORMATION

31.1 Financial Information

| | | |
|--|--|---|
| AUDIT OPINION UNMODIFIED | TOTAL RECEIPTS \$1.81 MILLION | TOTAL EXPENDITURE \$14.88 MILLION |
| REVISED BUDGET \$17.05 MILLION | UNUTILISED BUDGET \$2.17 MILLION | |

31.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Fisheries resulted in an unmodified audit opinion.

31.3 Appropriation Statement

The Ministry incurred expenditures totalling \$14.88 million against a revised budget of \$17.05 million resulting in unutilised budget of \$2.17 million or 12%. A total of \$1.81 million in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 31.1.

Table 31.1: Head 31 – Appropriation Statement for 2024

| SEG | Item | Budget Estimate (\$) | Changes (\$) | Revised Estimate (\$) | Actual Expenditure (\$) | Lapsed Appropriation (\$) |
|-----|------------------------------------|----------------------|--------------------|-----------------------|-------------------------|---------------------------|
| 1 | Established Staff | 5,944,326 | - | 5,944,326 | 5,036,364 | 907,962 |
| 2 | Government Wage Earners | 1,603,682 | - | 1,603,682 | 1,430,465 | 173,217 |
| 3 | Travel & Communications | 361,500 | - | 361,500 | 357,640 | 3,860 |
| 4 | Maintenance & Operations | 1,834,450 | - | 1,834,450 | 1,749,829 | 84,621 |
| 5 | Purchase of Goods & Services | 188,019 | - | 188,019 | 165,468 | 22,551 |
| 6 | Operating Grants & Transfers | 10,000 | - | 10,000 | 9,941 | 59 |
| 7 | Special Expenditures | 1,339,856 | - | 1,339,856 | 1,133,402 | 206,454 |
| | Total Operating Expenditure | 11,281,833 | - | 11,281,833 | 9,883,109 | 1,398,724 |
| 8 | Capital Construction | 6,618,000 | (2,084,047) | 4,533,953 | 4,254,589 | 279,364 |
| 9 | Capital Purchase | 750,000 | (750,000) | - | - | - |
| | Total Capital Expenditure | 7,368,000 | (2,834,047) | 4,533,953 | 4,254,589 | 279,364 |
| 13 | Value Added Tax | 1,663,850 | (429,880) | 1,233,970 | 739,574 | 494,396 |
| | TOTAL | 20,313,683 | (3,263,927) | 17,049,756 | 14,877,272 | 2,172,484 |

The major component of the unutilised budget relates to payroll expenditure. This was due to the vacant positions that existed and were not filled during the year.

PART B: ASSESSMENT OF FINANCIAL REPORTING

31.4 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 08 July 2024 | ✓ | Closing date for journal adjustments by 15 August 2024 | ✗ |
| Retirement of Imprest by 10 July 2024 | ✓ | Processing of virements by 16 August 2024 | ✓ |
| Processing of payments by 24 July 2024 | ✓ | Submission of arrears of revenue return by 23 August 2024 | ✓ |
| Clearance of Inter-departmental clearance accounts by 02 August 2024 | ✓ | Completion of reconciliations by 26 August 2024 | ✓ |

Based on information received, we have assessed the 2024 year-end closing process as:

| Rating | Year-end close process assessment |
|-----------------------|---|
| ☀ Generally Effective | Seven of eight key processes were completed by the due dates. |

31.5 Quality of Draft Financial Statements

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

| Rating | Quality of draft financial statements assessment |
|-------------|--|
| 🌿 Effective | No audit adjustment was required. |

31.6 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 it was received. Accordingly, we have assessed timeliness as:


| Rating | Timeliness of draft financial statements assessment |
|-------------|--|
| 🌿 Effective | Acceptable draft financial statements received before 31 October 2024. |

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

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

Accordingly, we have assessed timeliness as:

| Rating | Timeliness of Management Comments Received |
|---|--|
|  Ineffective | After 14 days from the date of issue of Draft Management Letter. |

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

Head 32

Ministry of Forestry

Roles and Responsibilities

The Ministry of Forestry is responsible for the formulation of policies to ensure the long-term sustainability of Fiji’s forest resources, stimulate economic growth within Forestry sector and improve livelihoods for communities that rely on these resources. The Ministry achieves this by ensuring a balance between resource utilisation and resource conservation, and the development and alignment of its policies, strategies, and structures to better address emerging issues, capture emerging opportunities, ensure effective and efficient service delivery to all our stakeholders.

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PART A: FINANCIAL INFORMATION

32.1 Financial Information

| | | |
|--|--|---|
| AUDIT OPINION UNMODIFIED | TOTAL RECEIPTS \$392,197 | TOTAL EXPENDITURE \$16.57 MILLION |
| REVISED BUDGET \$19.78 MILLION | UNUTILISED BUDGET \$3.21 MILLION | |

32.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Forestry resulted in an unmodified audit opinion.

32.3 Appropriation Statement

The Ministry incurred expenditures totalling \$16.57 million against a revised budget of \$19.78 million resulting in unutilised budget of \$3.21 million or 16%. A total of \$392,197 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 32.1.

Table 32.1: Head 32 – Appropriation Statement for 2024

| SEG | Item | Budget Estimate (\$) | Changes (\$) | Revised Estimate (\$) | Actual Expenditure (\$) | Lapsed Appropriation (\$) |
|-----|------------------------------------|----------------------|--------------------|-----------------------|-------------------------|---------------------------|
| 1 | Established Staff | 4,172,685 | (16,157) | 4,156,528 | 3,716,159 | 440,369 |
| 2 | Government Wage Earners | 1,325,217 | 16,304 | 1,341,521 | 1,033,704 | 307,817 |
| 3 | Travel & Communication | 468,075 | 101,000 | 569,075 | 567,953 | 1,122 |
| 4 | Maintenance & Operations | 1,311,826 | (55,256) | 1,256,570 | 1,108,657 | 147,913 |
| 5 | Purchase of Goods & Services | 1,036,594 | 58,948 | 1,095,542 | 1,034,782 | 60,760 |
| 6 | Operating Grants & Transfers | 2,282,502 | (145,865) | 2,136,637 | 2,062,298 | 74,339 |
| 7 | Special Expenditures | 1,521,800 | 41,026 | 1,562,826 | 344,398 | 1,218,428 |
| | Total Operating Expenditure | 12,118,699 | - | 12,118,699 | 9,867,951 | 2,250,748 |
| 8 | Capital Construction | 5,312,000 | (743,000) | 4,569,000 | 4,143,801 | 425,199 |
| 9 | Capital Purchase | 1,011,098 | - | 1,011,098 | 983,975 | 27,123 |
| 10 | Capital Grants & Transfers | 1,400,000 | (623,000) | 777,000 | 768,919 | 8,081 |
| | Total Capital Expenditure | 7,723,098 | (1,366,000) | 6,357,098 | 5,896,695 | 460,403 |
| 13 | Value Added Tax | 1,419,202 | (111,450) | 1,307,752 | 805,779 | 501,973 |
| | TOTAL | 21,260,999 | (1,477,450) | 19,783,549 | 16,570,425 | 3,213,124 |

The unutilised budget resulted mainly from the following:

- Vacant positions were not filled.
- Delay in the implementation of special projects, such as REDDPLUS project and the Sustainable Management of Mangroves in the Rewa Delta.

PART B: ASSESSMENT OF FINANCIAL REPORTING

32.4 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 08 July 2024 | ✓ | Closing date for journal adjustments by 15 August 2024 | ✓ |
| Retirement of Imprest by 10 July 2024 | ✓ | Processing of virements by 16 August 2024 | ✗ |
| Processing of payments by 24 July 2024 | ✓ | Submission of arrears of revenue return by 23 August 2024 | ✗ |
| Clearance of Inter-departmental clearance accounts by 02 August 2024 | ✓ | Completion of reconciliations by 26 August 2024 | ✓ |

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

| Rating | Year-end close process assessment |
|-----------------------|---|
| ☀ Generally Effective | Six of eight key processes were completed by the due dates. |

32.5 Quality of Draft Financial Statements

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

| Rating | Quality of draft financial statements assessment |
|-------------|--|
| 🌿 Effective | No audit adjustment was required. |

32.6 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 it was received. Accordingly, we have assessed timeliness as:

| Rating | Timeliness of draft financial statements assessment |
|-------------|--|
| 🌿 Effective | Acceptable draft financial statements received before 31 October 2024. |

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

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

Accordingly, we have assessed timeliness as:

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

| Rating | Timeliness of Signed Financial Statements Received |
|-------------|--|
| ● Effective | Within 14 days from the date of issue of Financial Statements for signing. |

Head 34**Ministry of Trade, Co-operatives, Small and Medium Enterprise and Communications****Roles and Responsibilities**

The Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications is responsible for formulating and implementing policies and strategies that facilitate growth in industry, investment, trade, co-operative businesses, micro small and medium enterprises and communications and enhances metrology, standards and consumer protection.

The following divisions are under the ambit of the Ministry: The Trade Unit; Economic Unit; Department of National Trade Measurement and Standards; Department of Co-operative Business; Micro Small Medium Enterprises Fiji Unit; Information Technology Computing (ITC); Department of Communications and Digital Government Transformation Office along with four distinct Trade Commissions to cater for targeted international markets: Australia; New Zealand; China and North America. The Ministry also oversees the following statutory bodies: the Consumer Council of Fiji; Investment Fiji; Film Fiji; Real Estate Agents Licensing Board; Telecommunication Authority of Fiji and Walesi Pte Limited.

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PART A: FINANCIAL INFORMATION

34.1 Financial Information

| | | |
|---|--|--|
| AUDIT OPINION UNMODIFIED | TOTAL RECEIPTS \$1.07 MILLION | TOTAL EXPENDITURE \$109.64 MILLION |
| REVISED BUDGET \$115.50 MILLION | UNUTILISED BUDGET \$5.90 MILLION | |

34.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications resulted in an unmodified opinion.

34.3 Appropriation Statement

The Ministry incurred expenditures totalling \$109.64 million against a revised budget of \$115.50 million resulting in unutilised budget of \$5.90 million or 5%. A total of \$1.07 million in revenue was collected by the Ministry.

Details of expenditures against the budget estimate are provided in Table 34.1 below.

Table 34.1: Head 34 – Appropriation Statement for 2024

| SEG | Item | Budget Estimate (\$) | Changes (\$) | Revised Estimate (\$) | Actual Expenditure (\$) | Lapsed Appropriation (\$) |
|-----|------------------------------------|----------------------|--------------------|-----------------------|-------------------------|---------------------------|
| 1 | Established Staff | 7,604,201 | (1,012,400) | 6,591,801 | 5,283,562 | 1,308,239 |
| 2 | Government Wage Earners | 421,452 | 102,400 | 523,852 | 429,926 | 93,926 |
| 3 | Travel & Communication | 3,024,286 | 109,488 | 3,133,774 | 2,110,846 | 1,022,928 |
| 4 | Maintenance & Operations | 2,044,272 | (8,300) | 2,035,972 | 1,633,151 | 402,821 |
| 5 | Purchase of Goods & Services | 5,948,800 | 42,827 | 5,991,627 | 4,860,757 | 1,130,870 |
| 6 | Operating Grants & Transfers | 18,973,976 | (506,397) | 18,467,579 | 18,433,344 | 34,235 |
| 7 | Special Expenditures | 60,923,062 | 8,077,359 | 69,000,421 | 68,308,265 | 692,156 |
| | Total Operating Expenditure | 98,940,049 | 6,804,977 | 105,745,026 | 101,059,851 | 4,685,175 |
| 8 | Capital Construction | 100,000 | - | 100,000 | 13,939 | 86,061 |
| 9 | Capital Purchase | 3,490,000 | (1,196,516) | 2,293,484 | 2,239,031 | 54,453 |
| 10 | Capital Grants & Transfers | 2,680,000 | 1,090,215 | 3,770,215 | 3,429,343 | 340,872 |
| | Total Capital Expenditure | 6,270,000 | (106,301) | 6,163,699 | 5,682,313 | 481,386 |
| 13 | Value Added Tax | 11,329,500 | (7,745,424) | 3,584,076 | 2,895,830 | 688,246 |
| | TOTAL | 116,539,549 | (1,046,748) | 115,492,801 | 109,637,994 | 5,854,807 |

The unutilised budget resulted from the following:

- High staff turnover that resulted in vacant positions that were not filled during the year.
- Reduction in travel which reduced expenditures on meal allowances, subsistence and travel costs.
- Reduction in expenditures for subscriptions and renewals of software licensing.

34.4 Main Trust Fund Account

Trust money is to be accounted for separately from public money and other money and kept in a separate bank account pending its withdrawal for use. The Ministry operates and maintains two main trust fund bank accounts which includes the following:

34.4.1 Co-operative Trust Fund Account

The Co-operative Trust Fund Account was established to administer the training services delivered to co-operative members. The receipts consist of fees charged to trainees and expenses relate to the operation of the training institutes.

The Department of Co-operative collected trust revenue totalling \$28,336 and incurred expenditures totalling \$16,435 resulting in a surplus of \$11,901 in 2024.

The Co-operative Trust Fund Account statement of receipts and payments are provided below.

Table 34.2: Co-operative Trust Fund Account – Statement of Receipts and Payments

| Description | 31 July 2024 (\$) | 31 July 2023 (\$) |
|--------------------------------------|-------------------------|-------------------------|
| Receipts | | |
| Cooperative Training Institute | 25,536 | 51,682 |
| National Cooperative Federation | 2,800 | 5,150 |
| Total Receipts | 28,336 | 56,832 |
| Payments | | |
| Cooperative Training Institute | 7,712 | 62,357 |
| National Cooperative Federation | 8,723 | 452 |
| Total Payments | 16,435 | 62,809 |
| Net Surplus/(Deficit) | 11,901 | (5,977) |
| Opening Balance as at 1 August | 142,324 | 148,301 |
| Closing Balance as at 31 July | 154,225 | 142,324 |

34.4.2 IHRDP Trust Fund Account

The Integrated Human Resource Development Programme (IHRDP) was endorsed by Government in 2000 to establish income generating projects and to create employment. These small and medium economic activities are intended to generate and revitalise the local rural economies and thus enhancing the livelihood of rural communities.

The IHRDP Trust Fund collected trust revenue totalling \$292,627 and incurred expenditures totalling \$260,462 resulting in a surplus of \$32,165 in 2024. The detailed IHRDP trust fund account statement of receipts and payments are provided below.

Table 34.3: IHRDP Trust Fund Account – Statement of Receipts and Payments

| Description | 31 July 2024 (\$) | 31 July 2023 (\$) |
|---|-------------------------|-------------------------|
| Receipts | | |
| Contributions receive from various projects | 292,522 | 160,479 |
| Overpayment Recovery | - | 2,455 |
| Bank fees and charges | 105 | 671 |
| Total Receipts | 292,627 | 163,605 |
| Payments | | |
| Bank Charges | 80 | 80 |
| Payment to various projects | 257,278 | 180,094 |
| Refund to various projects | 3,104 | 3,611 |
| Total Payments | 260,462 | 183,785 |
| Net Surplus/(Deficit) | 32,165 | (20,180) |
| Opening Balance as at 1 August | 73,443 | 93,623 |
| Closing Balance as at 31 July | 105,608 | 73,443 |

34.4.3 Telecommunications Development Trust Fund Account

The Telecommunications Act 2008 and the Telecommunications (Trust Fund) Regulations 2016 (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 to the Ministry a prescribed levy.

The Telecommunications Development Trust Fund collected trust revenue totalling \$562,718 and incurred expenditures totalling \$2,425 resulting in a surplus of \$560,293 in 2024.

The detailed Telecommunications Development trust fund account statement of receipts and payments are provided below:

Table 34.4: Telecommunications Development Trust Fund Account – Statement of Receipts and Payments

| Description | 31 July 2024 (\$) | 31 July 2023 (\$) |
|--|-------------------------|-------------------------|
| Receipts | | |
| Levy fees from Telecommunication Companies | 539,569 | 2,109,416 |
| Interest | 23,149 | 19,208 |
| Total Receipts | 562,718 | 2,128,624 |
| Payments | | |
| Bank fee & Withholding Tax on Interest | 2,425 | 2,031 |
| Total Payments | 2,425 | 2,031 |
| Net Surplus | 560,293 | 2,126,593 |
| Opening Balance as at 1 August | 8,965,031 | 6,838,438 |
| Closing Balance as at 31 July | 9,525,324 | 8,965,031 |

34.4.4 Fibre Cable Management Trust Fund Account

The Telecommunications Act 2008 and the Telecommunications (Fibre Cable Management Trust

Fund) Regulations 2019 establish 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.

The Fibre Cable Management Trust Fund collected trust revenue totalling \$1,681,778 and incurred expenditures totalling \$918,039 resulting in a surplus of \$763,739 in 2024.

The detailed Fibre Cable Management trust fund account statement of receipts and payments are provided below:

Table 34.5: Fibre Cable Management Trust Fund Account – Statement of Receipts and Payments

| Description | 31 July 2024 (\$) | 31 July 2023 (\$) |
|--|-------------------------|-------------------------|
| Receipts | | |
| Infrastructure Access Fees | 1,663,525 | 1,891,689 |
| Interest | 18,253 | 15,060 |
| Refund from EFL | - | 5,602 |
| Total Receipts | 1,681,778 | 1,912,351 |
| Payments | | |
| Consultancy Payments | 58,296 | 65,751 |
| Bank Fee & Withholding Tax on Interest | 1,957 | 1,749 |
| SXNext Cable Project | 497,868 | 290,479 |
| Marine Operations & Maintenance fee | 259,548 | - |
| Withholding and Vat Reversal Charges | 100,370 | - |
| Total Payments | 918,039 | 357,979 |
| Net Surplus | 763,739 | 1,554,372 |
| Opening Balance as at 1 August | 6,933,515 | 5,379,143 |
| Closing Balance as at 31 July | 7,697,254 | 6,933,515 |

PART B: ASSESSMENT OF FINANCIAL FINANACIAL REPORTING

34.5 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 08 July 2024 | ✓ | Closing date for journal adjustments by 15 August 2024 | ✓ |
| Retirement of Imprest by 10 July 2024 | ✓ | Processing of virements by 16 August 2024 | ✓ |
| Processing of payments by 24 July 2024 | ✓ | Submission of arrears of revenue return by 23 August 2024 | ✓ |
| Clearance of Inter-departmental clearance accounts by 02 August 2024 | ✓ | Completion of reconciliations by 26 August 2024 | ✓ |

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

| Rating | Internal control assessment |
|-------------|--|
| • Effective | All 8 key processes were completed by the due dates. |

34.6 Quality of Draft Financial Statements

We assessed the quality of financial statements by the impact audit adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment of the Ministry of Trade, Co-operatives, Small and Medium Enterprises and Communications was:

| Rating | Quality of draft financial statements assessment |
|-------------|--|
| • Effective | No audit adjustment was required. |

34.7 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 it was received. Accordingly, we have assessed timeliness as:

| Rating | Internal control assessment |
|-------------|--|
| • Effective | Acceptable draft financial statements received before 31 October 2024. |

34.8 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 date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

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

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

Head 35

Ministry of Multi-Ethnic Affairs and Sugar Industry

Roles and Responsibilities

The Ministry of Multi-Ethnic Affairs and Sugar Industry is responsible for the coordination of the activities and functions of the various institutions that make up the sugar industry with the sole objective of ensuring that Government’s commitment to reviving the industry is achieved. The Ministry is also responsible for enhancing social cohesion among Fiji’s diverse ethnic groups by improving inter-ethnic relations.

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PART A: FINANCIAL INFORMATION

35.1 Financial Information

| | | |
|--|---------------------------------------|---|
| AUDIT OPINION UNMODIFIED | TOTAL RECEIPTS \$11,082 | TOTAL EXPENDITURE \$52.62 MILLION |
| REVISED BUDGET \$53.20 MILLION | UNUTILISED BUDGET \$541,938 | |

35.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Multi-Ethnic Affairs and Sugar Industry resulted in an unmodified audit opinion.

35.3 Appropriation Statement

The Ministry incurred expenditures totalling \$52.62 million against a revised budget of \$53.20 million resulting in unutilised budget of \$0.54 million. A total of \$11,082 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 35.1.

Table 35.1: Head 35 – Appropriation Statement for 2024

| SEG | Item | Budget Estimate (\$) | Changes (\$) | Revised Estimate (\$) | Actual Expenditure (\$) | Lapsed Appropriation (\$) |
|-----|----------------------------------|----------------------|------------------|-----------------------|-------------------------|---------------------------|
| 1 | Established Staff | 1,095,878 | 126,992 | 1,222,870 | 994,836 | 228,034 |
| 2 | Government Wage Earners | 112,127 | 36,194 | 148,321 | 132,182 | 16,139 |
| 3 | Travel & Communication | 274,000 | 26,000 | 300,000 | 288,118 | 11,882 |
| 4 | Maintenance & Operations | 549,110 | 179,931 | 729,041 | 650,983 | 78,058 |
| 5 | Purchase of Goods & Services | 54,610 | 68,581 | 123,191 | 114,172 | 9,019 |
| 6 | Operating Grants & Transfers | 2,327,510 | 54,688 | 2,382,198 | 2,382,197 | 1 |
| 7 | Special Expenditures | 1,837,000 | (496,527) | 1,340,473 | 1,273,276 | 67,197 |
| | Total Operating Costs | 6,250,235 | (4,141) | 6,246,094 | 5,835,764 | 410,330 |
| 8 | Capital Construction | 500,000 | (458,719) | 41,281 | 41,281 | - |
| 9 | Capital Purchase | - | - | - | - | - |
| 10 | Capital Grants & Transfers | 44,461,098 | 2,000,000 | 46,461,098 | 46,445,744 | 15,354 |
| | Total Capital Expenditure | 44,961,098 | 1,541,281 | 46,502,379 | 46,487,025 | 15,354 |
| 13 | Value Added Tax | 482,200 | (69,429) | 412,771 | 296,517 | 116,254 |
| | TOTAL | 51,693,533 | 1,467,711 | 53,161,244 | 52,619,306 | 541,938 |

PART B: ASSESSMENT OF FINANCIAL REPORTING

35.4 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 08 July 2024 | ✓ | Closing date for journal adjustments by 15 August 2024 | ✓ |
| Retirement of Imprest by 10 July 2024 | N/A | Processing of virements by 16 August 2024 | ✓ |
| Processing of payments by 24 July 2024 | ✓ | Submission of arrears of revenue return by 23 August 2024 | N/A |
| Clearance of Inter-departmental clearance accounts by 02 August 2024 | ✓ | Completion of reconciliations by 26 August 2024 | ✓ |

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

| Rating | Year-end close process assessment |
|-------------|--|
| • Effective | All key processes were completed by the due dates. |

35.5 Quality of Draft Financial Statements

We assessed the quality of financial statements by the impact audit adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment of the Ministry of Multi-Ethnic Affairs and Sugar Industry was:

| Rating | Quality of draft financial statements assessment |
|-------------|--|
| • Effective | No audit adjustment was required. |

35.6 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 it was received. Accordingly, we have assessed timeliness as:

| Rating | Timeliness of draft financial statements assessment |
|-------------|--|
| • Effective | Acceptable draft financial statements received before 31 October 2024. |

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

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

Accordingly, we have assessed timeliness as:

| Rating | Timeliness of Management Comments Received |
|-------------|--|
| 🌟 Effective | No Management Letter was issued. |

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

Head 37

Ministry of Local Government

Roles and Responsibilities

The Ministry of Local Government is responsible for formulating and implementing local government and urban planning policies. The Ministry oversees two key Departments: Local Government & Town and Country Planning.

The primary responsibility of the Department of Local Government is to improve local governance through the effective implementation of the Local Government Act 2005 (Cap 125). It is responsible for the overall administration and regulation of 13 Municipal Councils around the country and the oversight of National Fire Authority through the National Fire Services Act 1994.

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

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PART A: FINANCIAL INFORMATION

37.1 Financial Information

| | | |
|--|--|---|
| AUDIT OPINION UNMODIFIED | TOTAL RECEIPTS \$1.63 MILLION | TOTAL EXPENDITURE \$18.53 MILLION |
| REVISED BUDGET \$22.33 MILLION | UNUTILISED BUDGET \$3.81 MILLION | |

37.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Local Government resulted in an unmodified audit opinion.

37.3 Appropriation Statement

The Ministry incurred expenditures totalling \$18.53 million against a revised budget of \$22.33 million resulting in unutilised budget of \$3.81 million or 17%. A total of \$1.63 million in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 37.1.

Table 37.1: Head 37 – Appropriation Statement for 2024

| SEG | Item | Budget Estimate (\$) | Changes (\$) | Revised Estimate (\$) | Actual Expenditure (\$) | Lapsed Appropriation (\$) |
|-----|------------------------------------|----------------------|--------------------|-----------------------|-------------------------|---------------------------|
| 1 | Established Staff | 2,227,147 | (348,199) | 1,878,948 | 1,591,324 | 287,624 |
| 2 | Government Wage Earners | 163,959 | 32,500 | 196,459 | 132,203 | 64,256 |
| 3 | Travel and Communications | 119,186 | 210,588 | 329,774 | 316,699 | 13,075 |
| 4 | Maintenance and Operations | 190,200 | 190,844 | 381,044 | 325,333 | 55,711 |
| 5 | Purchase of Goods and Services | 108,413 | (5,207) | 103,206 | 93,566 | 9,640 |
| 6 | Operating Grants and Transfers | 5,008,001 | 1,444,440 | 6,452,441 | 5,736,630 | 715,811 |
| 7 | Special Expenditures | 530,332 | (86,368) | 443,964 | 382,107 | 61,857 |
| | Total Operating Expenditure | 8,347,238 | 1,438,598 | 9,785,836 | 8,577,862 | 1,207,974 |
| 8 | Capital Construction | 2,147,500 | (100,707) | 2,046,793 | 1,273,838 | 772,955 |
| 9 | Capital Grants & Transfers | 18,405,664 | (8,412,525) | 9,993,139 | 8,382,772 | 1,610,367 |
| | Total Capital Expenditure | 20,553,164 | (8,513,232) | 12,039,932 | 9,656,610 | 2,383,322 |
| 13 | Value Added Tax | 464,300 | 43,635 | 507,935 | 290,931 | 217,004 |
| | Total Expenditure | 29,364,702 | (7,030,999) | 22,333,703 | 18,525,403 | 3,808,300 |

The unutilised budget was due to the following:

- Vacant positions created from resignations were not filled.
- The capital projects were delayed due to the weather conditions and compliance issues to be addressed before certification by the project Consultants and Engineers.
- Disbursements of operating grants were reduced due to unutilised grants from the prior year.

PART B: ASSESSMENT OF FINANCIAL REPORTING**37.4 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 08 July 2024 | ✓ | Closing date for journal adjustments by 15 August 2024 | ✓ |
| Retirement of Imprest by 10 July 2024 | N/A | Processing of virements by 16 August 2024 | ✓ |
| Processing of payments by 24 July 2024 | ✓ | Submission of arrears of revenue return by 23 August 2024 | N/A |
| Clearance of Inter-departmental clearance accounts by 02 August 2024 | ✓ | Completion of reconciliations by 26 August 2024 | ✓ |

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

| Rating | Year-end close process assessment |
|-------------|--|
| • Effective | All key processes were completed by the due dates. |

37.5 Quality of draft financial statements

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

| Rating | Quality of draft financial statements assessment |
|-------------|--|
| • Effective | No audit adjustment was required. |

37.6 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 it was received. Accordingly, we have assessed timeliness as:

| Rating | Timeliness of draft financial statements assessment |
|-------------|--|
| • Effective | Acceptable draft financial statements received before 31 October 2024. |

37.7 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 date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

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

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

Head 38

Ministry of Tourism and Civil Aviation

Roles and Responsibilities

The Ministry of Tourism and Civil Aviation, as a newly established Ministry, is responsible for policies and strategies that promote a sustainable and resilient Fiji tourism and aviation industry that adds value to the local economy.

The Ministry works with its stakeholders with a focus on sustainable growth of the tourism industry.

In addition, the Ministry ensures effective and efficient service delivery provided by the Department of Civil Aviation through expanding access to reliable aviation services within Fiji and globally.

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PART A: FINANCIAL INFORMATION

38.1 Financial Information

| | | |
|--|--|---|
| AUDIT OPINION UNMODIFIED | TOTAL RECEIPTS \$17,955 | TOTAL EXPENDITURE \$45.80 MILLION |
| REVISED BUDGET \$51.15 MILLION | UNUTILISED BUDGET \$5.40 MILLION | |

38.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Tourism and Civil Aviation resulted in an unmodified audit opinion.

38.3 Appropriation Statement

The Ministry incurred expenditures totalling \$45.80 million against a revised budget of \$51.15 million resulting in unutilised budget of \$5.40 million or 10.5%. A total of \$17,955 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 38.1.

Table 38.1: Head 38 – Appropriation Statement for 2024

| SEG | Item | Budget Estimate (\$) | Changes (\$) | Revised Estimate (\$) | Actual Expenditure (\$) | Lapsed Appropriation (\$) |
|-----|------------------------------------|----------------------|--------------------|-----------------------|-------------------------|---------------------------|
| 1 | Established Staff | 1,285,508 | (71,570) | 1,213,938 | 797,519 | 416,419 |
| 2 | Government Wage Earners | 92,258 | 71,570 | 163,828 | 128,822 | 35,006 |
| 3 | Travel and Communications | 390,000 | 48,200 | 438,200 | 415,344 | 22,856 |
| 4 | Maintenance and Operations | 327,000 | 6,797 | 333,797 | 298,859 | 34,938 |
| 5 | Purchase of Goods and Services | 159,631 | (2,297) | 157,334 | 150,428 | 6,906 |
| 6 | Operating Grants and Transfers | 14,492,182 | 736,177 | 15,228,359 | 15,218,207 | 10,152 |
| 7 | Special Expenditures | 355,000 | - | 355,000 | 194,727 | 160,273 |
| | Total Operating Expenditure | 17,101,579 | 788,877 | 17,890,456 | 17,203,906 | 686,550 |
| 8 | Capital Construction | - | - | - | - | - |
| 9 | Capital Grants & Transfers | - | - | - | - | - |
| 10 | Capital Grants and Transfers | 35,000,000 | (1,929,877) | 33,070,123 | 28,427,291 | 4,642,832 |
| | Total Capital Expenditure | 35,000,000 | (1,929,877) | 33,070,123 | 28,427,291 | 4,642,832 |
| 13 | Value Added Tax | 184,800 | - | 184,800 | 161,682 | 23,118 |
| | Total Expenditure | 52,286,379 | (1,141,000) | 51,145,379 | 45,792,879 | 5,352,500 |

The unutilised budget was due to the following:

- Vacant positions were not filled during the year.
- Delay in the implementation of the tourism project as there was a delay in the appointment of the Project Manager to lead the project implementation.

PART B: ASSESSMENT OF FINANCIAL REPORTING

38.4 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 08 July 2024 | ✓ | Closing date for journal adjustments by 15 August 2024 | ✗ |
| Retirement of Imprest by 10 July 2024 | ✗ | Processing of virements by 16 August 2024 | ✓ |
| Processing of payments by 24 July 2024 | ✓ | Submission of arrears of revenue return by 23 August 2024 | N/A |
| Clearance of Inter-departmental clearance accounts by 02 August 2024 | ✓ | Completion of reconciliations by 26 August 2024 | ✓ |

Based on the information received, we have assessed the 2024 year-end closing process as:

| Rating | Year-end close process assessment |
|-----------------------|---|
| ★ Generally Effective | Five of seven key processes were completed by the due date. |

38.5 Quality of draft financial statements

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

| Rating | Quality of draft financial statements assessment |
|-------------|--|
| ★ Effective | No audit adjustment was required. |

38.6 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 it was received. Accordingly, we have assessed timeliness as:

| Rating | Timeliness of draft financial statements assessment |
|-------------|--|
| ★ Effective | Acceptable draft financial statements received before 31 October 2024. |

38.7 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 date the draft management letter and audited financial statements were issued to entity and the dates the management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

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

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



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