



STANDING COMMITTEE ON PUBLIC ACCOUNTS

REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI – CROWN LAND LEASE SYSTEM (CLLS)



PARLIAMENT OF THE REPUBLIC OF FIJI
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Acronyms

BCP	Business Continuity Plan
CLLS	Crown Land Lease System
COBIT	Control Objective on Information Technology
DOS	Disk Operating System
DRP	Disaster Recovery Plan
ERM	Enterprise Resource Management
FLIP	Fiji Land Information Portal
FMIS	Financial Management Information System
IS	Information Systems
ISAAS	Information System and Assurance Standards
ICT	Information and Communication Technology
IT	Information Technology
ITC	Information Technology Centre
LMR	Land Management Records
MLMR	Ministry of Lands & Mineral Resources
MYLEASE INFO	Application for Lessee on Lease Accounts
NDP	National Development Plan
NDA	National Disaster Awareness
OMRS	Open Merit Recruitment Selection Guideline
OSLA	Online State Land Application
SDGs	Sustainable Development Goals
SLA	Service Level Agreement
SLAP	State Land Administration Portal
SLLS	State Land Lease System
SQL	Structured Query Language
TOAD	Tool for Oracle Application Developments

Chairperson's Foreword



This report presents the findings of the Information Technology audit conducted by the Office of the Auditor General on the Crown Land Lease System (CLLS), under the responsibility of the Ministry of Lands and Mineral Resources (MLMR). The audit was undertaken at the request of the Ministry to assess the efficiency and effectiveness of the CLLS in managing Crown and State land leases, including lease status and rental records.

The CLLS, managed by the IT Unit within the Geospatial Information Management Unit of the Ministry, has served as the central system for recording lease details since its inception in the 1990s. Originally implemented as a Disk Operating System (DOS-Aven), it was upgraded to an Oracle-based system in 2007, which remains in use today.

The audit reviewed system records from 1 January 2020 to 28 October 2023. It was conducted in accordance with the IT Audit Manual for Supreme Audit Institutions, aligned to the Control Objective on Information Technology (COBIT) Framework. The audit focused on five critical IT domains:

- IT Governance
- IT Operations
- Information Security
- Business Continuity and Disaster Recovery
- Application Control

Each domain was evaluated to determine how effectively the CLLS supports the Ministry's mandate and whether it meets contemporary standards of reliability, security, and operational performance.

The audit concluded that the Crown Land Lease System is obsolete, rendering it ineffective and inefficient in maintaining accurate records. This has led to:

- Incorrect calculation of lease interest on arrears, impacting financial accuracy.
- Significant weaknesses in Governance Framework, impacting compliance and internal controls.
- Data integrity issues, affecting input, processing, and output reliability.
- Operational inefficiencies, hindering timely and accurate decision-making.

The system's outdated architecture and limited functionality have become a liability, compromising the Ministry's ability to manage land leases with precision and accountability.

The implications of these findings are significant. Inaccurate lease records not only affect revenue collection but also undermine public confidence in the Ministry's stewardship of Crown and State land assets.

There is an urgent need to review and upgrade the entire system. A modern, secure, and

efficient platform will ensure:

- Accurate and timely data entry
- Reliable processing and reporting
- Secure data storage and retrieval
- Compliance with best practices in IT governance and security

To address these challenges, the following actions are recommended:

1. Initiate a full system overhaul, replacing the outdated Oracle platform with a modern solution.
2. Engage cross-functional stakeholders to ensure the new system meets operational and strategic needs.
3. Implement robust training and change management programs to support staff during the transition.
4. Establish ongoing monitoring and audit mechanisms to maintain system integrity and performance.

We acknowledge the contributions of the previous chair and the current Minister for Finance, Commerce and Business Development, Hon. Esrom IMMANUEL.

In conclusion, this report highlights critical deficiencies in the Crown Land Lease System. But it also presents a clear opportunity for transformation. By acting decisively, the Ministry can build a system that reflects its commitment to excellence, supports national development, and delivers reliable service to the people of Fiji.

Let us move forward with purpose, collaboration, and a shared vision for progress.



.....
Hon. Manoa Kamikamica
Chairperson

1. Committee Membership

The substantive members of the Standing Committee on Public Accounts are:



**Hon. Manoa KAMIKAMICA,
Chairperson**



**Hon. Jovesa VOCEA, Deputy
Chairperson**



Hon. Naisa TUINACEVA, Member



Hon. Alvick MAHARAJ, Member



Hon. Hem CHAND, Member



Hon. Sachida NAND, Member

2. Introduction

The Office of the Auditor General carried out an Information Technology audit of the Crown Land Lease System (CLLS), which falls under the responsibility of the Ministry of Lands and Mineral Resources (MLMR). Initiated at the Ministry's request, the audit aimed to evaluate how efficiently and effectively the CLLS manages Crown and State land leases, particularly in relation to lease status and rental records.

The Information Technology audit report was presented to Parliament and later directed to the Standing Committee on Public Accounts for review. Under Standing Order 109 (2)(d), the Committee holds the authority to scrutinize the Government of the Republic of Fiji's accounts for each financial year, encompassing Auditor-General reports as well as any issues connected to government spending or related activities.

Furthermore, Standing Order 109 (1)(c) authorises the Committee to scrutinise Government Departments within its subject area, including by investigating, inquiring into, and making recommendations on any aspect of departmental administration, legislation, budget, restructuring, functioning, organisation, and policy formulation.

2.1. Committee Procedure

Standing Order 112(1)(b) provides the Standing Committee on Public Accounts with the authority to compel the production of documents, materials, or information necessary for its proceedings and deliberations. In line with this provision, the Committee has resolved that the entity identified in the audit report, the Ministry of Lands and Mineral Resources—shall provide a substantive written submission to the Committee addressing the audit findings.

3. Background

In accordance with Section 152(13) of the Constitution of the Republic of Fiji, the Office of the Auditor General has submitted an IT Audit Report on the Crown Land Lease System (CLLS), a digital platform managed by the Ministry of Lands and Mineral Resources (MLMR). Originally launched in the 1990s as a DOS-based system and upgraded to Oracle in 2007, the CLLS serves as the central database for tracking all Crown land leases, including their status and rental records.

The audit was initiated at the request of the MLMR to evaluate the system's efficiency and effectiveness in managing Crown and State land leases. Conducted by the IT Unit within the Ministry's Geospatial Information Management Unit, the audit focused on key IT domains—Governance, Operations, Security, Business Continuity, and Application Control—based on the COBIT-aligned IT Audit Manual for Supreme Audit Institutions.

The assessment covered system records from January 1, 2020, to October 28, 2023. As required by Section 152(14) of the Constitution, the report has also been submitted to the Minister of Finance for tabling in Parliament.

4. General Committee Findings

The repealed Audit Act 1969 and the current Audit Act 2025 require, amongst other things, that the Auditor General must report on other significant matters, which the OAG wishes to bring to the attention of Parliament. Various significant matters identified during the audit were communicated, through Management Letters as relevant, to the Chief Executive Officers or those charged with governance for Ministry of Lands and Mineral Resources.

It is important to note that the deficiencies detailed in this report were identified during the audit and may have been subsequently resolved. These have been included in this report as they impacted on the overall systems of controls for Ministry of Lands and Mineral Resources as at the dates of the financial statements.

This report outlines key findings arising from the review of the Crown Land Lease System (CLLS), focusing on governance, IT operations, application controls, and financial reporting. The assessment highlights systemic weaknesses that have compromised data integrity, financial accuracy, and operational reliability in the management of Crown and State land lease records.

4.1. Common Findings Related to Internal Controls

Governance Framework Deficiencies

- The absence of a clear and robust Governance Framework has significantly impacted IT operations and application controls within the Ministry of Lands and Mineral Resources.
- The lack of defined policies, oversight mechanisms, and accountability structures has resulted in inconsistent system management and poor data stewardship.
- These governance gaps have contributed to vulnerabilities in data security, system reliability, and financial control.

IT Operations and Application Control Weaknesses

- The current IT environment does not guarantee the proper safeguarding of Crown and State land records.
- Application controls are insufficient to prevent or detect anomalies in lease data and financial transactions.
- The system lacks automated validation and reconciliation features, increasing the risk of data errors and financial misstatements.

Financial Irregularities and Interest Miscalculations

- A series of irregularities in interest calculations have been identified, particularly concerning overdue premium balances.
- Lessees with expired leases were incorrectly charged interest during renewal periods, violating standard financial practices.
- This discrepancy has persisted for over three decades, indicating a long-standing systemic issue.

Revenue Understatement and System Discrepancies

- Revenue received from expired leases was recorded only in the CLLS and not reflected in the Government's Financial Management Information System (FMIS).
- This practice has led to a consistent understatement of annual revenue, affecting the accuracy of government financial reports.
- The lack of integration and reconciliation between CLLS and FMIS has created data silos and undermined financial transparency.

5. General Recommendations

The Committee, after reviewing the Audit Reports and the responses from the Ministry of Lands and Mineral Resources, concerning the audit issues raised, recommends that:

1. Accelerate System Modernisation and Migration

- Finalise the transition from Oracle to Structured Query Language (SQL) and expedite the development and deployment of the new State Land Lease System (SLLS).
- Conduct thorough testing and validation of the upgraded system to ensure functionality, data integrity, and scalability.

2. Strengthen ICT Governance and Oversight

- Empower the IT Steering Committee to lead strategic ICT initiatives, monitor implementation progress, and ensure alignment with national digital transformation goals.
- Regularly review ICT policies and procedures to reflect evolving technological standards and risks.

3. Enhance Financial Processing and Accuracy

- Fully implement revised procedures for calculating VAT, interest, and rent to eliminate duplication and improve consistency.
- Monitor the impact of these changes on legacy systems and adjust transition strategies to mitigate compatibility issues.
- Consider fully integrated Enterprise Resource Management (ERM) System to allow more transparency and efficiency.

4. Improve Revenue Management and Forecasting

- Continue implementing strategic measures to address arrears and enhance revenue collection.
- Leverage the upgraded system to improve tracking of individual accounts and generate reliable financial reports for planning and forecasting.

5. Resolve System Discrepancies and Reconciliation Gaps

- Ensure a robust reconciliation mechanism between the Crown Land Lease System (CLLS) and the Financial Management Information System (FMIS) to eliminate revenue understatement and ensure data consistency.
- Conduct periodic audits to verify alignment between systems and address discrepancies promptly.

6. Formalise Audit Support for Funding Requests

- Use audit findings and the recommendations of the Public Accounts Committee (PAC) to justify budget allocations and demonstrate the urgency of system replacement.

7. Advance Institutional Capacity and Workforce Development

- Expand technical training and short courses for staff in collaboration with international partners and tertiary institutions to build expertise in system development, cybersecurity, and digital governance, with due consideration given to the National Digital Strategy 2025 - 2030.
- Pilot a reintegration program for staff returning from overseas studies to maximize knowledge transfer and institutional growth.

8. Strengthen Internal Controls and Accountability

- Develop a centralised mechanism to update expired accounts and track payments to reinforce financial control systems.
- Revise job descriptions to clarify roles and responsibilities in revenue collection and system management.
- Address staffing gaps by filling outstanding vacancies to ensure operational efficiency.
- Develop and implement an effective staff retention strategy to maintain its workforce.

9. Finalise and Implement Business Continuity Planning

- Complete the review and implementation of the Business Continuity Plan (BCP) and IT Risk Management framework.
- Integrate the National Disaster Awareness (NDA) component to ensure resilience during emergencies and safeguard critical systems.

10. Maintain Strategic Collaboration with ITC

- Continue working closely with the Information Technology Centre (ITC) to ensure reliable connectivity, secure data storage, and technical compliance.
- Seek ITC guidance during infrastructure upgrades and system transitions to maintain interoperability across government platforms.

6. Sustainable Development Goals

The Committee notes that the Fiji Parliament, through its six (6) Standing Committees including the Public Accounts Committee, has expanded its roles and undertaken initiatives to strengthen its contribution toward the promotion, implementation, and monitoring of the Sustainable Development Goals (SDGs), in alignment with Fiji's 5-Year and 20-Year National Development Plan and the 2030 Agenda.

Parliament is at the core of the SDGs implementation Agenda 2030 insists on the "Essential role of national parliaments through their enactment of legislation and adoption of budgets, and their role in ensuring accountability for the effective implementation of the SDGs". This is done through the National Development Plan (NDP) targets and indicators.

In this case, the Public Accounts Committee examined the entity covered in the Report of the Auditor General of the Republic of Fiji, and through its oversight role scrutinised the implementation of Information Technology (IT).

The Committee questioned this entity, on how it addresses the development issues as detailed in the 17 SDGs based on the relevant NDP targets and indicators, questions were also directed on the SDGs and the NDP awareness made to its staff and plans to achieve the targets relevant to their individual entity.

6.1. Gender Equality

The Committee noted the importance of Gender Equality while scrutinising the Auditor General's Reports and it has encouraged all entities on the needs to incorporate this and adhering to the objectives of OMRS, especially in the recruitment policy. the provision of relevant accounting trainings for its staff, especially on basic accounting reporting training and this is for staff responsible in their Accounts/Finance Section as this will address audit issues identified as well as improve the capacity of staff which benefitted both men and women in those entities.

6.2. Reduced Inequalities

The Committee, in its review, ensured the adherence of SDG 10 under the 2030 Agenda.

7. Conclusion

The audit findings reveal systemic weaknesses in the governance, IT operations, and financial reporting practices surrounding the Crown Land Lease System (CLLS). The continued reliance on an outdated Oracle-based architecture, coupled with insufficient oversight and inadequate application controls, has led to persistent anomalies in data accuracy and financial integrity. These issues have not only compromised the reliability of lease administration but have also contributed to long-standing discrepancies in revenue recognition and interest calculations — particularly concerning expired leases.

The absence of a clear governance framework has further exacerbated operational inefficiencies, leaving critical land records vulnerable to mismanagement and undermining public trust in the Ministry's stewardship of Crown and State land assets. The misstatement of revenue in the Financial Management Information System (FMIS), due to poor system integration and reconciliation processes, highlights the urgent need for coordinated reform. To restore confidence and ensure the Ministry fulfills its mandate effectively, a comprehensive transformation is essential. This includes:

- Modernising the lease administration system to meet current technological standards
- Strengthening institutional governance and accountability mechanisms
- Enhancing data security, integrity, and interoperability across platforms
- Aligning financial reporting with international standards and national regulations

The Committee recommends MLMR takes into account some of the broader considerations such as the National Digital Strategy and the Shared Services Model. A shared services model has the potential to eliminate duplication, allow for sustainability and greater cost efficiency.

These reforms will not only correct historical deficiencies but also position the Ministry for future resilience, transparency, and service excellence in managing one of Fiji's most valuable public resources—its land.

We, the undersigned Members of the Standing Committee on Public Accounts agree with the contents of this report:



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Hon. Manoa Kamikamica
(Chairperson)



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Hon. Jovesa Vocea
(Deputy Chairperson)



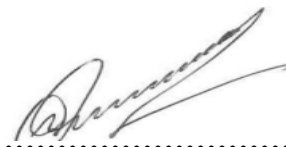
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Hon. Naisa Tuinaceva
(Member)



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Hon. Sachida Nand
(Member)



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Hon. Alvick Maharaj
(Member)



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Hon. Hem Chand
(Member)

APPENDICES

Appendix 1: Written Evidence

The following copies of the written evidence and supplementary evidence from the Ministry of Lands and Mineral Resources are covered in this review report and can be accessed on the Parliament Website using the following link.

<http://www.parliament.gov.fj/committees/standing-committee-on-public-accounts>

Appendix 2: Report of the Auditor General

Report of the Auditor General on Crown Land Lease Systems

<https://www.parliament.gov.fj/wp-content/uploads/2024/05/Crown-Land-Lease-System.pdf>