OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

ANNUAL REPORT 2023

OUR VISION

Promoting public sector accountability and sustainability through our audits.

OUR MISSION

To provide independent value-adding audit services.

To provide an environment where our people can excel.

OUR VALUES

- Respect
- Integrity
- Transparency
- Confidentiality
- Competence
- Independent & Objective

ANNUAL REPORT
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THE AUDITOR GENERAL'S FOREWORD

I am pleased to present the Annual Report for 2023. The report outlines our key milestones during the year and other major activities towards fulfilling the mandate of the Auditor General and the Office of the Auditor General (OAG) according to the Constitution of Fiji and the Audit Act.

I acknowledge and thank the Deputy Auditor General, Mr. Sairusi Dukuno, for his leadership during the year 2023.

To meet the requirements of the Constitution, the independence of the Office of the Auditor General must be strengthened and backed by appropriate and modern legal framework. We continued to pursue legal reforms through the relevant channels with important strides taken during the year to review the legislative framework governing our work, a process that began in 2018. In April 2023, the Cabinet approved the review of the Audit Act 1969 with public consultations commencing at the end of the year and continued into the subsequent year. We acknowledge the support of the Ministry of Finance, the Office of the Solicitor General, the Pacific Association of Supreme Audit Institutions (PASAI) and development partners in this process.

We continued to make significant progress towards attaining our core mandate of auditing public entities and reporting the results of the audits to Parliament. In an effort to address the issue of backlog financial audits, the reallocation of resources from the Performance/Compliance/IT Audits Program to the Financial Audit Program, that started from the previous year, continued into 2023.

While this decision was made to ensure that draft financial statements were audited on time when received, it was for the short term as the Performance Audit Program was anticipated to be re-established in 2024.

A total of 9 reports were submitted to Parliament with an additional 5 reports containing the results of financial audits undertaken in 2023 were presented to Parliament in the following year. We achieved an 83% completion rate for financial audits against a planned target of 80%, an improvement from the 72% reported for the previous year.

This represented 211 financial statements audits completed during the year; the remaining audits were still in progress by the year end. Addressing backlog audits due to non-submission financial statements annually remained a major focus, which saw the financial statements audits of 31 public entities updated in 2023. This demonstrated our continued commitment to promoting timely financial reporting by public entities.

Our people are our key assets and retaining our workforce continued to pose challenges with competition in the labour markets both locally and overseas. Around 80% of our people that exited OAG moved abroad for better working conditions. Staff recruitment and retention and continuous professional development will be our focus in the subsequent years as we strive to sustain a highly competent workforce that can meet the expectations of our stakeholders.

We value our partnerships with the INTOSAI community including PASAI and other Supreme Audit Institutions (SAI) to promote sharing of knowledge and experiences.

We also benefitted from the assistance of other SAIs and development partners in upgrading our systems, including enhancements to TeamMate, our audit management software and disaster recovery backup systems.

I express my appreciation to the Executive Management and staff of OAG for their dedication to the work of OAG despite the challenges, and Members of the Standing Committee on Public Accounts, Permanent Secretaries and Heads of Public Entities for their support.

FINAU SERU NAGERA
AUDITOR-GENERAL


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2023 AT A GLANCE

Strategic Priority 1 : Independent & Value Adding Audit Services

211
Number of financial audits completed

192
Number of audit opinions signed

9
Number of reports tabled in Parliament

1
Special Investigation Report

8
Number of financial audit reports

83%
FINANCIAL AUDIT COMPLETION RATE

Strategic Priority 2 : Institutional & Workforce Capacity Building

10
Policies/Manuals introduced/ reviewed during the year

35
Number of training sessions delivered/ facilitated

47%
Members of professional associations 36 or 47% of staff

87%
Attended 2 or more training sessions 68 or 87% of staff

Strategic Priority 3 : Engagement with Clients & Other Stakeholders

11
Number of PAC meetings attended & supported

ABOUT THE OFFICE OF THE AUDITOR GENERAL

The Executive Management Team

Standing (L-R) Assistant Auditor General, Moshin Ali and Acting Assistant Auditor General, Abele Saunivalu. Sitting (L-R) Auditor General, Finau Nagera and Deputy Auditor General, Sairusi Dukuno.

(This section provides an overview of the OAG and our strategy)

The Office of the Auditor General (OAG) is established under Sections 151 and 152 of the 2013 Constitution of the Republic of Fiji.

The Constitution requires the Auditor General to inspect, audit and report to Parliament once every year on the public accounts of the State and all transaction with or concerning the public money or public property of the State.

The Auditor General provides independent assurance to Parliament and the public at large that public sector agencies have used public funds for the purposes they have been appropriated and in accordance with legislations, financial management rules and regulations. We promote improvements in public spending, through the delivery of our financial audits, value for money and wider assurance work.

The Financial Management Act (2004) requires the Auditor General to audit financial statements and annual appropriation statement of the whole of government and the annual financial statement of each government entity, including budget and non-budget entities.

The Audit Act 1969 elaborates on the powers of the Auditor General with specific mandate to conduct financial, compliance and performance audits, and special investigations and the reporting of the results of these audits to the Parliament.

Our vision is promoting public sector accountability and sustainability through our audits.

Our mission is to provide independent value adding services and an environment where our people can excel.

Our values:
Respect – We uphold respect in our relationships.
Integrity – We are ethical, fair and honest in our duties.
Independent & Objective – We work independently and report objectively.
Competence – We deliver to the best of our abilities and to the highest standard of professional conduct.
Transparency – Our processes are transparent.
Confidentiality – We maintain audit related information confidential.

OUR GOVERNANCE

We strongly support the upholding of principles of good governance and transparency at every organisational level and recognise that this is paramount to achieving our organisational goals.

Our governance structure is primarily facilitated through several committee arrangements, particularly the Executive Management Committee, which is chaired by the Auditor General and consist of the Deputy Auditor General and the Assistant Auditors General as members. This committee plays a pivotal role in reviewing and acting upon management and operational matters. This is a key element to our governance structure that provides leadership in the pursuance of our strategic direction and delivering against commitments and initiatives outlined in the Strategic Plan and annual operational plans.

We are guided by the INTOSAI Code of Ethics and International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) to ensure all ethical requirements are met while performing our duties.

Acknowledging that governance is a shared responsibility, we emphasize the active involvement of all Committees and staff in contributing to our commitment to good governance. Our governance model is both straightforward and formal, dedicated to fulfilling the paramount public auditing function of the State and securing trust in our work.

Our various internal committees include:
1. Audit Qualification Committee
2. Planning Committee
3. Professional Development and Research Committee
4. Business Excellence Committee
5. Internal Audit, Risk & Compliance Committee
6. IT& TeamMate Committee
7. OHS Committee
8. Stakeholder Engagement Committee
9. OAG Women Committee

OUR ORGANIZATIONAL STRUCTURE

The Office of the Auditor-General of Fiji (OAG) assists the Auditor-General to deliver the mandate of the Constitution and the Audit Act 1969.

The Auditor General is the administrative head of OAG, whose duties and functions are defined in the Constitution of the Republic of Fiji. The Auditor General is supported by the Deputy Auditor General, Assistant Auditors - General, Auditors and support staff, jointly referred to as the Office of the Auditor General.

OAG operates through five distinct functional areas: Executive Management, Audit Services, Corporate Services, Quality Assurance & Customer Advisory Support and Risk & Compliance . The Executive Management, consisting of the Auditor General, Deputy Auditor General, and Assistant Auditors General forms the core leadership.

Our Audit Services function is divided into three consisting of two Financial Audit Groups and the Performance Audit Group that also include compliance audit, IT audit and special investigation. The three Audit Groups are headed by Assistant Auditors General who report directly to the Auditor General.

Quality Assurance is integral to the monitoring function and is led by the Manager Quality Assurance. The Risk & Compliance officer ensures that the Office conducts its business in full compliance of applicable laws and regulation.

The Deputy Auditor General leads the Corporate Services functions which encompasses, human resources management, policy, financial management, registry services, IT Support and communications.

This structured organizational framework ensures effective governance and compliance across the OAG.

OUR STRATEGY

OUR PRIORITIES

Independent & Value Adding Audit Services

Institutional & Workforce Capacity Building

Engagement with Clients & Other Stakeholders

OUR GOALS

- Timely delivery of reports to parliament
- Delivery of quality audit services

- Visionary Leadership
- Embrace Technology & Innovation
- Better Governance, Risk Management & Compliance

- Improved collaboration with the Public Accounts Committee
- Strengthened relationship with clients & other stakeholders
- Increased visibility and awareness

RISK AND STRATEGY

	INDEPENDENT & VALUE ADDING AUDIT SERVICES	INSTITUTIONAL WORKFORCE & CAPACITY BUILDING	ENGAGEMENT WITH CLIENTS & OTHER STAKEHOLDERS
GOALS	• Timely delivery of reports to Parliament. • Delivery of quality audit service.	• Visionary leadership. • Embrace technology and encourage innovation. • Better governance, risk management and compliance.	• Strengthened relationships with clients and other stakeholders. • Improved collaboration with the Public Accounts Committee. • Increased visibility and awareness.
RISKS	• Not adapting to changes in our regulatory environment. • Not addressing delays and minimizing costs to our audit processes. • Not upholding our values, professional competence and quality standards in our work.	• Not maintaining the ability to sustain audit services delivery at required level. • Unable to secure funding for implementation. • Not fully utilizing technology in audit services delivery.	• Not engaging to properly understand our stakeholders' contexts and change to meet their varying needs.
STRATEGY	• Continue to advocate for a modernized Audit Act. • Continuous realignment of our audit practices, with international standards.	• Secure funding and continue to invest in organizational and professional developments. • Invest in technology that will streamline our audit practices and business processes. • Monitoring of governance, risk management and compliance.	• Better understand our stakeholders and adapt our services to their needs. • Engage to impact and build productive relationships based on respect.
INDICATORS OF SUCCESS	• Results of audits are reported to Parliament on time. • Financial audits are brought up to date. • Satisfactory rating for quality assurance reviews.	• An engaged, capable and professional workforce • Increased productivity by our workforce • Modernized work processes and work environment.	• Stakeholders benefit from and value the services we provide. • An informed and satisfied Public Accounts Committee. • Increased stakeholder participation in our audits.

INDEPENDENT & VALUE ADDING AUDIT SERVICES

(This section outlines our output from audit services programs. Our Annual Overall Audit Plan sets out the planned audit coverage and is a supplementary plan to the Annual Business Plan)

REPORTS TO PARLIAMENT

- **8 of planned 13 Financial Audit Reports submitted to Parliament during the year**
- **1 Special Investigation Report tabled in Parliament**

We planned to submit to Parliament 13 audit reports and the 2022 Annual Report.

The reallocation of resources from the Performance/Compliance/IT Audits Program to the Financial Audit Program that started from the previous year continued into 2023. For this reason, the reports to Parliament were focused on the results of financial audits only.

The reports submitted to Parliament during the year included the following:

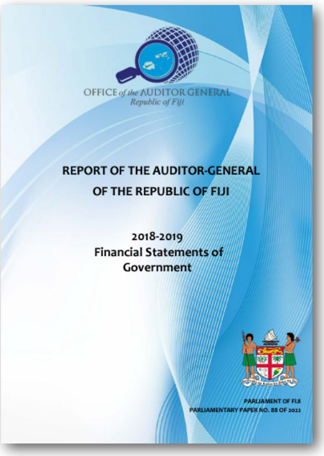
Auditor General's Report Submitted to Parliament	
Financial Audits	
1.	Audit Report on the 2019 Financial Statements of Government
2.	Audit Report on Provincial Councils – Volume 4
3.	Audit Report on Public Enterprises and Other Entities
4.	Audit Report on Municipal Councils
5.	2020 & 2021 Audit Report on Ministries and Departments - General Administration Sector
6.	2020 & 2021 Audit Report on Ministries and Departments - Social Services Sector
7.	2020 & 2021 Audit Report on Ministries and Departments - Economic Services Sector
8.	2020 & 2021 Audit Report on Ministries and Departments - Infrastructure Sector
Other Audits	
9.	Report on Special Investigations

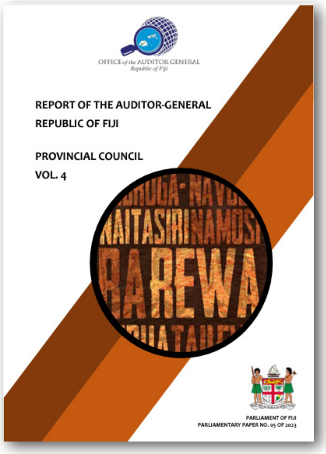
The sector reports contained the results of audits of Ministries and Departments for two financial years, being 2020 and 2021.

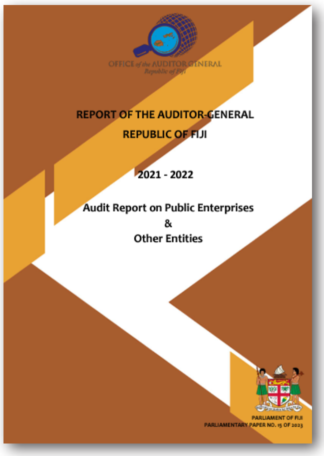
A Special Investigation Report containing the results of audit work from December 2020 was tabled in Parliament during the year.

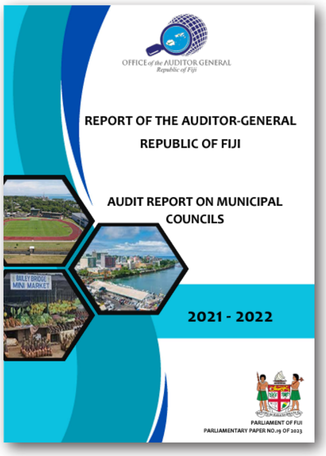
The remaining 5 financial audit reports were still being finalized by 31 July 2023, however, submitted to Parliament in the subsequent year as provided below:

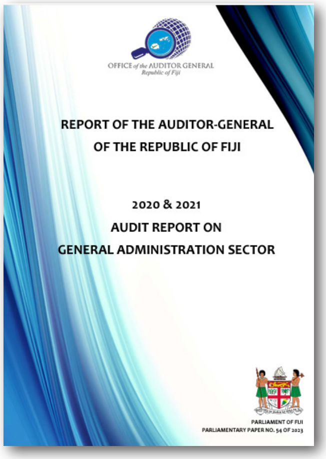
Auditor General's Report Submitted to Parliament	
Financial Audits	
1.	Audit Report on the 2020 Financial Statements of Government
2.	Audit Report on the 2021 Financial Statements of Government
3.	Audit Report on Statutory Authorities, Independent Bodies and Commissions
4.	Report on Provincial Councils – Volume 5
5.	Follow-Up Audits on High-Risk Ministries and Departments

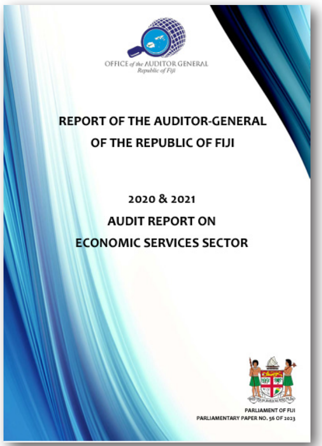


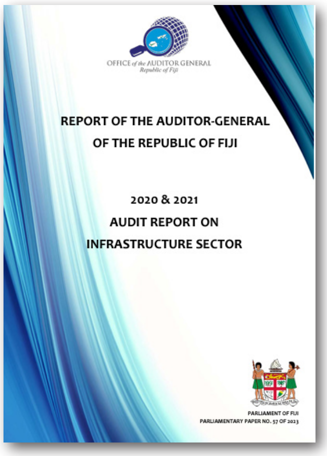


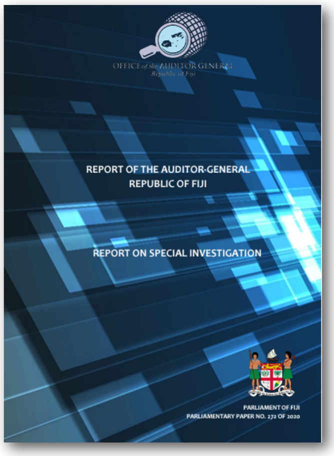


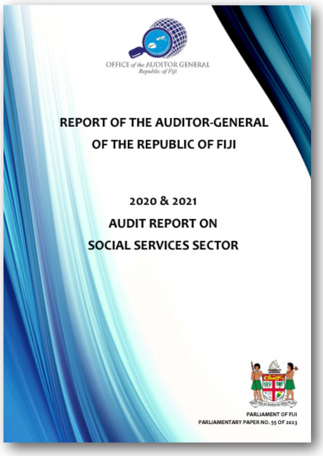












FINANCIAL AUDIT PROGRAM

- **211 financial statements audits completed**
- **192 audit opinions signed; 19 audited financial statements issued for signing**
- **83% completion rate against an 80% target**
- **An improvement in the completion rate from 72% reported for 2022**

We achieved an 83% audit completion rate, which exceeded the target rate of 80% and an improvement from 72% reported for the previous year.

Our Financial Audit Program is managed by two Financial Audit Groups which are headed by Assistant Auditors General. Financial statements audits are undertaken in accordance with the OAG Financial Audit Manual, which is drawn from the International Standards on Auditing (ISA) and the International Standards for Supreme Audit Institutions (ISSAI).

We initially planned for the audit of 298 draft financial statements; however, this was revised to 254 as the audit of 1 statutory authority was suspended, with 44 draft financial statements not submitted by year end. Of the 254 financial statements received, the audits of 211 (83%) were completed, 26 (10%) audits were still in progress and the audits of 17 (7%) did not commence by 31 July 2023.

The details of completed audits are provided below:

Type of Entity	No. of Draft Financial Statements Received	No. Completed	Percentage Completion Rate
Financial Statements of the Government	3	2	67%
Ministries & Departments	49	48	98%
Independent Bodies & Commission	17	9	53%
Statutory Authorities	46	40	87%
Public Enterprises	52	32	62%
Municipal Councils	37	30	81%
Provincial Councils	42	42	100%
Projects	8	8	100%
TOTAL	**254**	**211**	**83%**

PROGRESS OF UPDATING BACKLOG AUDITS

The high number of financial audits in backlog is a significant challenge and we continue to allocate a substantial component of our resources to these audits when draft financial statements are submitted to the Auditor General.

For the FY 2023, 62% of the planned work for the Financial Audit Program relate to backlog financial statements. During the year, we made progress in the updating of backlog audits by completing 76 or 41% of the planned 184 financial statements audits and updated the audits of 12 entities.

ENHANCING QUALITY ASSURANCE REVIEWS

- **5 full quality assurance reviews completed**
- **2 special assignments completed**

Quality Assurance is an integral part of the monitoring function within the Office of the Auditor General. It serves as a process to provide the Auditor General with reasonable assurance that standards, policies and procedures related to the quality control system are relevant, adequate, and effectively implemented.

The Quality Assurance Manager provides assurance reports to the Auditor General on whether quality requirements were adhered to by the Audit Groups during the respective audit processes. Quality reviews consist of both "hot" reviews, conducted during audits in progress, and "cold" monitoring reviews, conducted upon audit completion.

In 2023, our quality review program included ten audits, however, this was revised to five as two special assignments were allocated to the Unit – facilitating the consultation workshop for the review of the Audit Act and a Special Investigation initiated by the Acting Auditor General. Among the initial five reviews completed, four were hot reviews and one cold review, all comprehensively monitored from planning to report.

Quality review recommendations were discussed with the engagement teams for implementation in subsequent audits.

INSTITUTIONAL & WORKFORCE CAPACITY BUILDING

(This section outlines the results of activities and the progress we have made to build capacity and better governance)

- **35 training sessions delivered**
- **87% of staff attended 2 or more training sessions**
- **1 new policy developed, and 9 policies reviewed**
- **95% overall employee satisfaction**

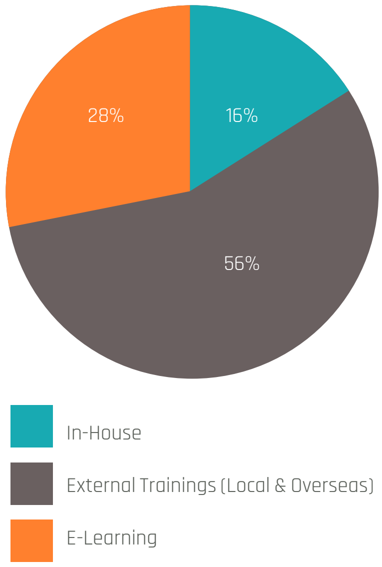
We continue to build on the professional capacity of our people and create opportunities for a skilled, motivated and healthy workforce that meets the expectations of stakeholders.

LEARNING AND DEVELOPMENT

We enhance the skills and capabilities of our people through encouraging and supporting self-learning and training and development activities organized.

In 2023, there were 35 training sessions delivered and/or facilitated against a planned 14 sessions, which included in-house, external and online trainings. A total of 68 staff or 87% attended two or more training sessions. The training covered various topics on auditing, project management, leadership, finance & accounting, IT development, and human resources management,

TRAINING PER CATEGORY



We continue to support staff working towards their professional qualifications or membership with professional associations. In 2023, 46% of our people were members of professional associations with 8 staff undertaking courses towards attaining professional qualification.

INTERNATIONAL WORKSHOPS & MEETINGS

This highlights our international engagements where we foster cross-cultural exchange, share expertise, and drive innovation. Through participation in these international workshops and meetings, OAG Fiji continues to strengthen its capacity, align with global best practices and contribute to the development of more effective and sustainable auditing frameworks.

International Meeting of Performance Audit Critical Thinkers (IMPACT) Conference

The Australian National Audit Office (ANAO) and the ACT Audit Office hosted the biannual International Meeting of Performance Audit Critical Thinkers (IMPACT) Conference in Canberra, Australia on 19 – 20 April 2023.

The overarching theme of IMPACT 2023 "The Auditor of the Future", was explored through two sub themes: 'technology as a tool' and technology and its impact on auditors'. The conference brought together performance auditors from around the world to examine the rapid advancements in technology and its implications for the future of auditing.

The Office was represented by Acting Assistant Auditor General, Mr Esala Niubalavu.

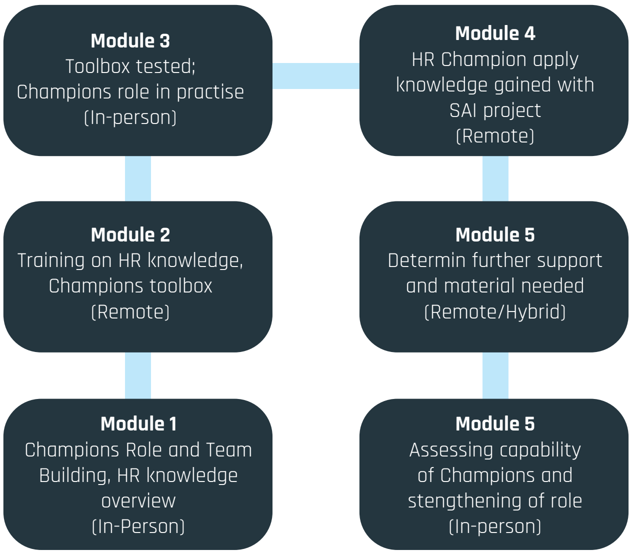
Human Resource Champions Program

SAI Fiji is one of the nine SAIs (Supreme Audit Institutions) participating in a program to strengthen HR Management capacity and improve approaches to managing capabilities.

The HR Champions program was developed in collaboration between the Pacific Association of Supreme Audit Institutions (PASAI) and the Swedish National Audit Office (SNAO).

The 17 months program, which started in May 2023, has six modules that is being delivered online through the PASAI's learning platform, webinars and in person meetings/workshops.

Our HR & Policy Officer, Ms. Malini Narayan, actively participated in the program, which concluded in December 2024.



11th Meeting of the Regional Working Group on Environmental Auditing

SAI Fiji participated in the 11th Regional Working Group on Environmental Auditing Meeting that was held at the New South Wales Audit Office, Sydney from 9 – 11 May 2023.

This participation demonstrated OAG Fiji's commitment to the INTOSAI Working Group on Environmental Auditing (WGEA) global plans and environmental goals, as well as the Regional WGEA and PASAI community objectives. The meeting focused on realigning audit strategies, developing work programs, and enhancing staff capacity in environmental auditing.

The event reflected on the issues surrounding the main themes from the INTOSAI Working Group on Environmental Auditing Work for 2023 – 25: climate and biodiversity, and the green economy. These themes relate to the following UN Sustainable Development Goals (SDGs):

SDG 13 – Climate Action
SDG 14 – Life below Water
SDG 15 – Life on Land

As a lead agency in implementing institutional framework for monitoring and evaluating the National Development Plan (NDP), OAG Fiji remains committed to integrating environmental management topics into its audit scope. The Office is responsible for undertaking sustainable development assurance audits, which include evaluating whether Ministries and Departments, Statutory Authority and Local Authorities have utilized their annual budgets in line with the Government's sustainable development policies.

Meetings of INTOSAI Capacity Building Committee (CBC) and the INTOSAI Donor Cooperation

OAG Fiji was invited to participate in the INTOSAI Capacity Building Committee (CBC) and INTOSAI Donor Cooperation held in Kingston, Jamaica from 19 – 23 June 2023.

The overall theme of the meetings was "Partnering for Stronger SAIs and Enhanced PFM".

The discussion focused on the important role that Supreme Audit Institutions (SAIs) play in ensuring government accountability and strengthening effective public financial management (PFM) systems.

The meeting was attended by Auditor General, Finau Nagera and Senior Manager, Lowata Yalovia.

(L-R) OAG's Senior Manager, Lowata Yalovia and Auditor General, Finau Nagera

JICA Knowledge Co-Creation Program on Government Audit on Public Constructions works

OAG Senior Auditor, Aminiasi Koroi, was selected to participate in the JICA Knowledge Co-Creation Program, which focused on the audit of public works. This program provided valuable insights and methodologies for auditing public construction projects.

The initiative aims to enhance the capacity of SAIs to audit infrastructure projects which are essential for national economic and social development.

PROFESSIONAL EDUCATION FOR SAI AUDITORS (PESA)

We want to attract talented people and support them to become even better at what they do, enhancing their careers and ensuring we have the skills and capabilities we need.

Financial Auditor Nilufa Khan successfully completed the INTOSAI Development Initiative Professional Education for SAI Auditors – Pilot (PESA – P) program in October 2023.

The program is a global, professional certification delivered by the IDI, covering the three audit streams – compliance, financial and performance audits.

Nilufa completed the compliance audit program and reflected on her experience:

"The whole course taught me valuable lessons that would enhance my auditing skills, and I also learnt the importance of improving soft skills especially on communication, teamwork and embracing the aspect of emotional intelligence in my work. The program requires commitment as I had to carefully consider the challenges of managing my time undertaking the program, my work and family".

Nilufa was guided by her mentor, Audit Manager Mitieli Nawaqavou, who provided her support to be able to relate the things that she learnt through the PESA program and incorporate the lessons learnt in her daily audit work.

SAI YOUNG LEADERS PROGRAM 2022/2023

We are proud of the achievement of Senior Performance Auditor Maritina Cirikisuva, who successfully completed and graduated from the INTOSAI Development Initiative (IDI) SAI Young Leader (SYL) Program 2022-2023. The graduation was held in Arusha, Tanzania in October 2023.

Maritina is the third young female leader at OAG that had the opportunity to be selected against nominations from Supreme Audit Institutions (SAIs) around the world to participate in the program since it started.

The IDI SAI Young Leaders Program is aimed at developing young leaders with the potential to grow and lead their teams and SAIs and add value back to the community. The program requires the submission of a change strategy proposal for positive change within SAI.

Maritina's strategy proposal, titled *"Taking full advantage of our digital working tool (Team Mate Plus)"*, focused on designing and implementing an action plan to fully utilize the risk and other modules of TeamMate+ which is aimed to promote efficient report generation.

By the target date of 31 August 2023, Maritina had successfully completed the project from concept to implementation. This required a high degree of sacrifice, determination and perseverance as Maritina worked on her project together with allocated audit work. She was guided and assisted by her coach, Acting Assistant Auditor General Esala Niubalavu and a working group that provided her support throughout the program.

Maritina said that she will cherish her experience participating in the program, the friendship she has forged, skills and knowledge gained are not only transformative, but also empowering, eye opening and life changing.

The IDI SYL Program 2022-2023 concluded in October 2023, with eighteen participants from 13 countries successfully completing their education.

BETTER GOVERNANCE THROUGH REGULAR REVIEWS OF OFFICE POLICIES

We reviewed several existing policies to align to changes in the law and/or current practices. The following policies were reviewed and implemented:

- Mobile Phone Policy
- Flexi Time Policy
- Team Building Policy
- Staff Exit Policy
- HIV/AIDS Policy
- Continuing Professional Education (CPE) Policy
- Bereavement of a Staff Policy
- Dress Code Policy
- Asset Management Policy

A new policy to guide the recruitment and employment of officers on project positions was developed. This was done in line with the budget allocation for recruiting experienced staff on short term to assist with the backlog audits.

ANNUAL PLANNING WORKSHOP FY 2023/2024

The Office held its Annual Planning Workshop at its Suva Office from 5 - 6 July 2023. The objective of the workshop was to review and discuss the annual plans of the various units, which resulted in the finalization of the Business Plan and the Annual Overall Audit Plan for financial year 2024. The implementation of the plan began in October 2023.

The annual workshop also provided the opportunity for senior officers to discuss key challenges and resolutions, and explored strategies on how the Office can improve, strengthen relationships, develop partnerships and work in collaboration with various stakeholders to ensure that the objectives and planned targets for the next FY are achieved.

WORKFORCE ENGAGEMENT

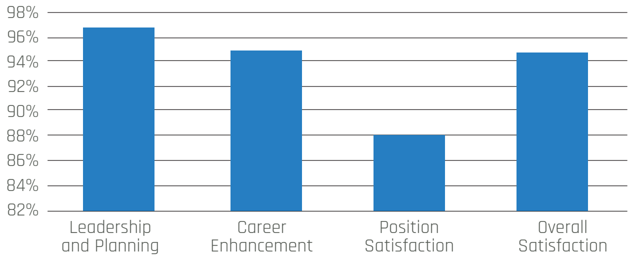
We recognize the importance of staff involvement in decision making. The Office promotes a culture of mutual respect and trust, client focus and continuous innovation.

We conduct regular surveys to capture the views of our people in a range of areas such as leadership, organisational planning, career enhancement, corporate services functions and overall work satisfaction.

92% of our staff responded to the OAG staff satisfaction survey for 2023. The result of the survey serve as a valuable foundation for targeted improvements to enhance organizational effectiveness and employee satisfaction and affirm the positive aspects of the organizational culture at OAG.

For those that participated in the survey, 97% acknowledged the effective communication within OAG and 91% affirming a positive work culture. Career enhancement is evident with 95% recognizing the impact of training, 88% satisfied with professional development, and 83% seeing growth opportunities.

RESULTS OF STAFF SURVEY



ENGAGEMENT WITH CLIENTS & OTHER STAKEHOLDERS

(This section outlines activities and output relating to stakeholder engagements to strengthen relationships, collaboration and increase visibility and awareness)

SUPPORT FOR PARLIAMENT - STANDING COMMITTEE ON PUBLIC ACCOUNTS (PAC)

- **11 PAC sessions supported**

We continue the efforts of engaging with our stakeholders to strengthen relationships and collaboration in relation to our audit services.

The Standing Committee on Public Accounts is an important stakeholder and assistance focuses on the committee's role of examining the reports of the Auditor – General. The support provided to PAC include the following:

- Providing briefs on reports before the public hearing/consultation
- Attending closed or public hearing/consultation to clarify issues raised in the reports or inquiry during the sessions
- Formulate questions that may be asked by the members of the PAC during the deliberation of the reports.

During the financial year 2023, we attended 11 public hearing sessions of the PAC of which 3 were held in the Western Division. The sessions relate to the deliberation of issues highlighted by our performance audit works on Sugarcane Development and Farmers Assistance Programme.

We also responded to 2 letters of requests by the PAC to formulate sample questions on matters raised by the Auditor General in the following six reports submitted to Parliament.

1. 2019 – 2020 Audit Report on Public Enterprises and Other Entities (PP No. 92 of 2021)
2. Audit Report on Statutory Authorities, Independent Bodies and Commissions (PP No. 104 of 2021)
3. 2019 Financial Statements of Government (PP No. 88 of 2022)
4. Report on Special Investigation (PP No. 272 of 2020)
5. Report on Provincial Councils Volume 4 (PP No. 5 of 2023)
6. 2020 – 2021 Audit Report on Public Enterprises and Other Entities (PP No. 15 of 2023)

In March 2023, the newly elected members of the PAC participated in a capacity building session facilitated by the OAG's Executive Management.

The workshop, held at the OAG, was aimed at creating awareness on the operations of the Office and more importantly to enhance the knowledge of the Members to effectively scrutinize the Auditor-General's reports submitted for its deliberation.

The session covered various topics such as the roles and functions of the Office, OAG's strategic plan and various annual plans, auditing tools, audit processes and procedures, types of audits and audit opinions, OAG's reporting guideline and updates on the progress of audits of all entities under the portfolio of the Auditor-General.

STAKEHOLDER CONSULTATION - REVIEW OF AUDIT ACT 1969

In April 2023, Cabinet approved the review of the Audit Act 1969.

The Act provides for the duties and powers of the Auditor – General.

The Act was last revised in 2006. As a result, it does not capture the changes brought about by the 2013 Constitution of the Republic of Fiji and other developments in public sector auditing practices and standards internationally.

A key objective of this review was to identify the shortfalls of the Act and recommend changes to meet and address the challenges and developments taking place in the public sector auditing environment and incorporate international best practices.

The approval also noted the outcome of the work undertaken by a legal consultant engaged by the Office of the Auditor General through the assistance of the Pacific Association of Supreme Audit Institutions (PASAI) and endorsed that the Ministry of Finance and Strategic Planning, National Development and Statistics facilitate the consultations with the Office, in consultation with the Office of the Solicitor General.

A call for written submissions from the public was published on our website and in the daily newspapers.

As part of the review process, consultation workshops were held in Suva and in the Western Division (Nadi, Lautoka & Ba) from 25th July – 15th August 2023 to bring representatives from across relevant government ministries & departments and non – government organizations to consult with the proposed amendments.

There were 49 stakeholders who were issued a direct invitations whilst 36 (73%) responded to the invitations through written or oral submissions and 88 participants that attended the consultation workshop.

A total of 11 written submissions were received (CAAF, RFMF, Fiji Corrections, Fiji Intelligence Unit, FCOSS, PASAI, Office of the Prime Minister, Fiji Institute of Chartered Accountants, University of Fiji, Post Fiji Ltd and Standing Committee on Public Accounts) which have further contributed to shaping the proposed amendments.

The OAG acknowledges the tremendous assistance provided by PASAI which include funding for technical support provided by legal consultant, Mr Robert Buchanan.

Consultations with representatives from Local Government and Statutory Authority

MEETING WITH CLIENTS

The Office of the Auditor General audits all entities raising revenue on behalf of the State or spending public money. The OAG does not only audit ministries, departments and agencies, but also sub national councils, State owned enterprises and statutory authorities.

Audits typically commence with pre – engagement activities, including assessing the audit and evaluating the objectivity, integrity, and technical ability of audit staff. Subsequently, the OAG and the auditee formalize their agreement by signing a letter outlining the terms of engagement, which is confirmed through an entry meeting.

Upon completion of an audit and the review process, the final step involves an exit meeting. During this meeting, auditors present their findings and recommendations to the auditee.

Exit meeting with Republic of Military Forces

Exit meeting with Ministry of Women, Children & Social Protection

Exit meeting with Fiji Corrections Office

CHAIRMANSHIP OF THE PASAI GOVERNING BOARD HANDED OVER FROM SAI FIJI TO SAI PALAU

In March 2023, SAI Fiji handed over the chairmanship for the PASAI's Governing Board to SAI Palau Public Auditor Satrunino Tewid at the PASAI 32nd Governing Board Meeting and the 24th PASAI Congress in Palau.

The Head of SAI Fiji took up the role in August 2019 at the 22nd PASAI Congress in Fiji and held onto the role through COVID-19 pandemic.

Acting Auditor- General, Mr. Sairusi Dukuno, thanked the PASAI Secretariat team and the Secretary General and Auditor-General of New Zealand for the support rendered over the 3 years as the chair of the PASAI Governing Board.

(L-R) SAI Fiji's Acting Auditor – General Sairusi Dukuno and Palau's Public Auditor Satrunino Tewid

PACIFIC ANTI – CORRUPTION REGIONAL CONFERENCE

The Acting Auditor General, Sairusi Dukuno was selected as one of the panelist at the Pacific Anti – Corruption Regional Conference at the InterContinental Resort & Spa, Natadola Fiji from 27 – 28 July 2023.

This was attended by International experts and local stakeholder gather to exchange knowledge, explore commitments, innovate strategies against corruption with the theme "Fostering Regional Cooperation for Addressing Corruption towards Good governance and Sustainable Development in Pacific island countries" which aims to foster unity, promote good governance and expand our efforts in combating corruption in the Pacific Region.

Other events:

- The Acting Auditor – General, Mr. Sairusi Dukuno received a courtesy call from the New Zealand Deputy High Commissioner, Mr. Alex Shahryar – Davies on 27/06/23.
- SAI Fiji had the pleasure of hosting friends from different Pacific nations and representatives from the Sweden National Audit Office on 12 May 2023. This visit provided a valuable opportunity to reconnect and share ideas with the goal of enhancing HR Management in the region.

OUR PEOPLE

(This section contains information on supporting and developing our people, diversity and inclusion within the workforce.)

In FY 2023, our:

- **Staff count - 78**
- **40% Male and 60% Female**
- **Staff entries 14**
- **Staff exits 15**

Employee turnover remains a challenge due to competitive job markets overseas. Total employee turnover for FY 2023 is 15 compared to 20 in 2022. Out of the employees who resigned from the Office in the financial year, 80% moved overseas.

GROWING AND UPSKILLING OUR PEOPLE

Professional Development

A total of 12 staff took professional development courses for CPA Australia, Fiji Institute Chartered Accountants and Information Systems Audit.

36 or 47% of our staff are members of various professional associations with 5 staff attaining their professional qualifications with FICA and CPA during the year.

Occupational Health and Safety

Our OHS Committee is established under the Health and Safety at Work Act 1996. The functions of the committee as per Section 20 (1) of the Act.

We have eight fire wardens and eight first aid offices who have undergone trainings on Pacific First Aid & CPR by Fiji Red Cross on 30 June 2023 and the Fire Warden Training by the National Fire Authority that was organized in 16th May, 2023.

Employee Benefit

We want our people to be proud of being part of our diverse, inclusive and healthy workplace. 34 staff were supported through the Health Insurance Benefit through the subsidy of insurance premiums.

SOCIAL EVENTS

International Women's Day

We are committed to uphold equity and fairness in all areas, including professional growth, career development, and most importantly a safe working environment for women.

The month of March was dedicated to the hardworking and self-made women. The Office took the time to show support and celebrate 'women' in Fiji and across the Pacific.

The Office posted a series of staff highlights that were posted on OAG's social media accounts.

Recognition of Outstanding Employees

Our Sports and Social Club committee play a significant role in promoting workplace wellness and well-being. An annual event in the OAG calendar is the Year End Function and Awards Night organized by the Club.

The Year – end function and awards night was held at the Shangri-La, Yanuca Island Resort on December 2022 where our people were recognized for outstanding performance:

1. Outstanding OAG Audit Manager – Esala Niubalavu
2. Outstanding OAG Senior Auditor – Anupriya Sharma
3. Outstanding OAG Auditor – Shavneet Lal
4. Outstanding OAG Graduate Auditor – Nasoni Balenacagi & Semi Raogo
5. Outstanding OAG Contract Graduate Auditor – Pattie Draunidalo
6. Outstanding OAG Corporate Services Staff – Malini Narayan & Yogita Devi

The best performers nominated from each Group were also recognized during the Awards functions.

OUR FINANCES

(This section outlines an overview of our finances and management of our financial resources)

- **Unmodified audit opinion**
- **No audit issues reported**
- **91% budget utilization during the year**
- **49% increase in audit fees collected**

As an independent body, the Office operate autonomously. Our operation is fully funded through an annual budget appropriation approved by Parliament. In managing our finances, we aim to efficiently use our financial resources and be an exemplary organization to the public sector.

We utilized 91% of the budget allocated, which demonstrated effective budget control during the year.

The audit for the year resulted in an *unmodified* audit opinion. Moreover, there were no significant issues identified from the audit. OAG is audited by an external auditor appointed by the Speaker of Parliament in accordance with Section 14 of the Audit Act 1969. KPMG was appointed as the external auditor for the financial year 2023.

The audited financial statements were submitted to the Speaker of Parliament on 22 November 2024. Full details of the audited financial statements is presented as Appendix 1 of this report.

BUDGET APPROPRIATION

OAG prepares its budget in line with the process for budget sector government entities. Like all other budget sector entities, the Ministry of Finance provides guidance and the timelines for budget submissions.

In the financial year 2023, the OAG was allocated a budget of $5.8 million, an increase of $0.9 million from the previous year.

Tabulated below are the budget appropriation and percentage utilization rate for the past three years:

Financial Year	2023	2022	2021
Budget Appropriation ($)	5,807,104	4,902,010	5,048,231
Percentage of Budget Utilized (%)	91%	93%	93%

Budget utilization for the past three years demonstrated effective budget control across all categories of expenditures.

INCOME AND EXPENDITURE

At the end of the financial year, we received a total $5.8 million in Government Grant, remitted by the Ministry of Finance on a quarterly basis.

A total expenditure of $5.3 million was incurred with significant cost during the year included:

- Salaries, wages and other benefits which is normally around 73% of the total expenditure. Staff-related costs during the year was $3.8 million against a budget of $4.5 million. The variance of $0.6 million resulted from positions left vacant through resignations. It took us longer than normal to fill the positions because of the highly competitive recruitment markets locally and overseas.
- The remaining 27% of expenditure relate mostly to the cost of outsourcing audits, training, audit tours, communication and operating expenses such as utilities, repairs and maintenance and printing of reports to Parliament.

AUDIT FEES COLLECTED

Audit fees are charged on financial audits of public enterprises, statutory authorities, municipal councils, provincial councils and several independent bodies/commissions. Audit fees are State revenue and are paid to the Government's Consolidated Funds account. Audit fees collected are disclosed only in the Notes to the financial statements.

The total audit fees collected increased by $295,708 or 49%, compared to the previous year. The increase was attributed to the high number of audits completed and the efforts made to collect audit fees that remained outstanding from previous years.

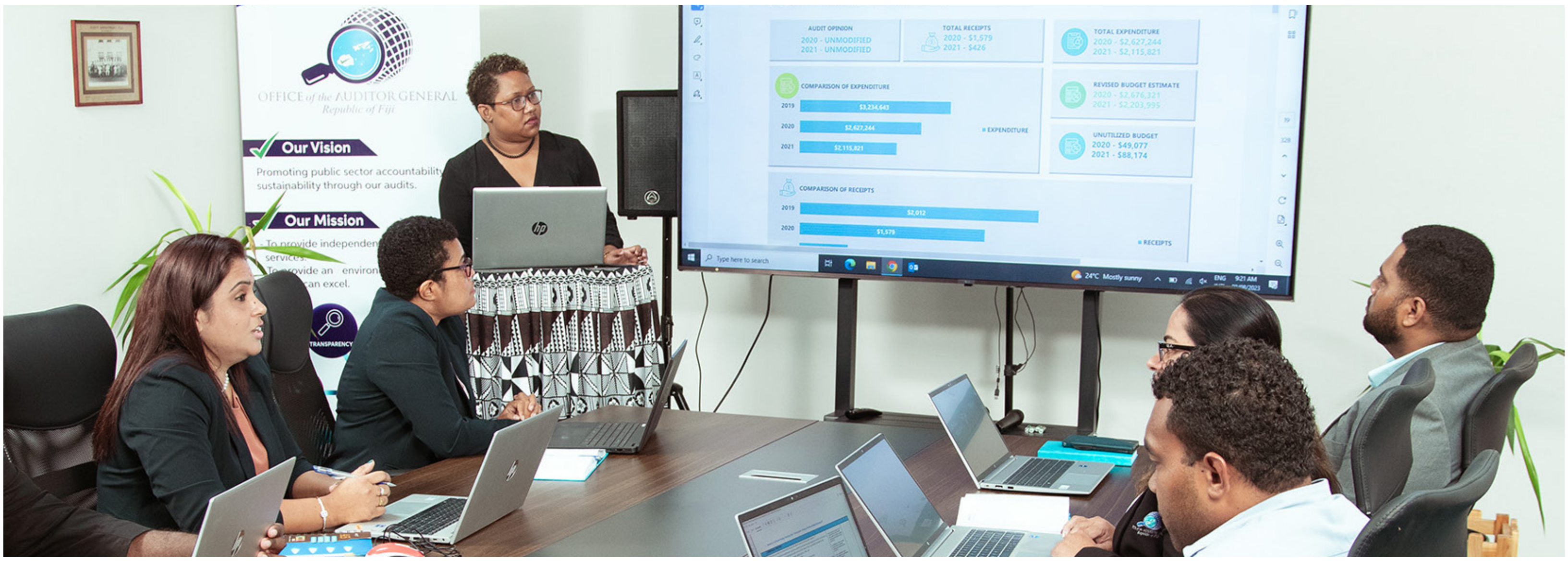
The total audit fees collected for the past three years are as follows:

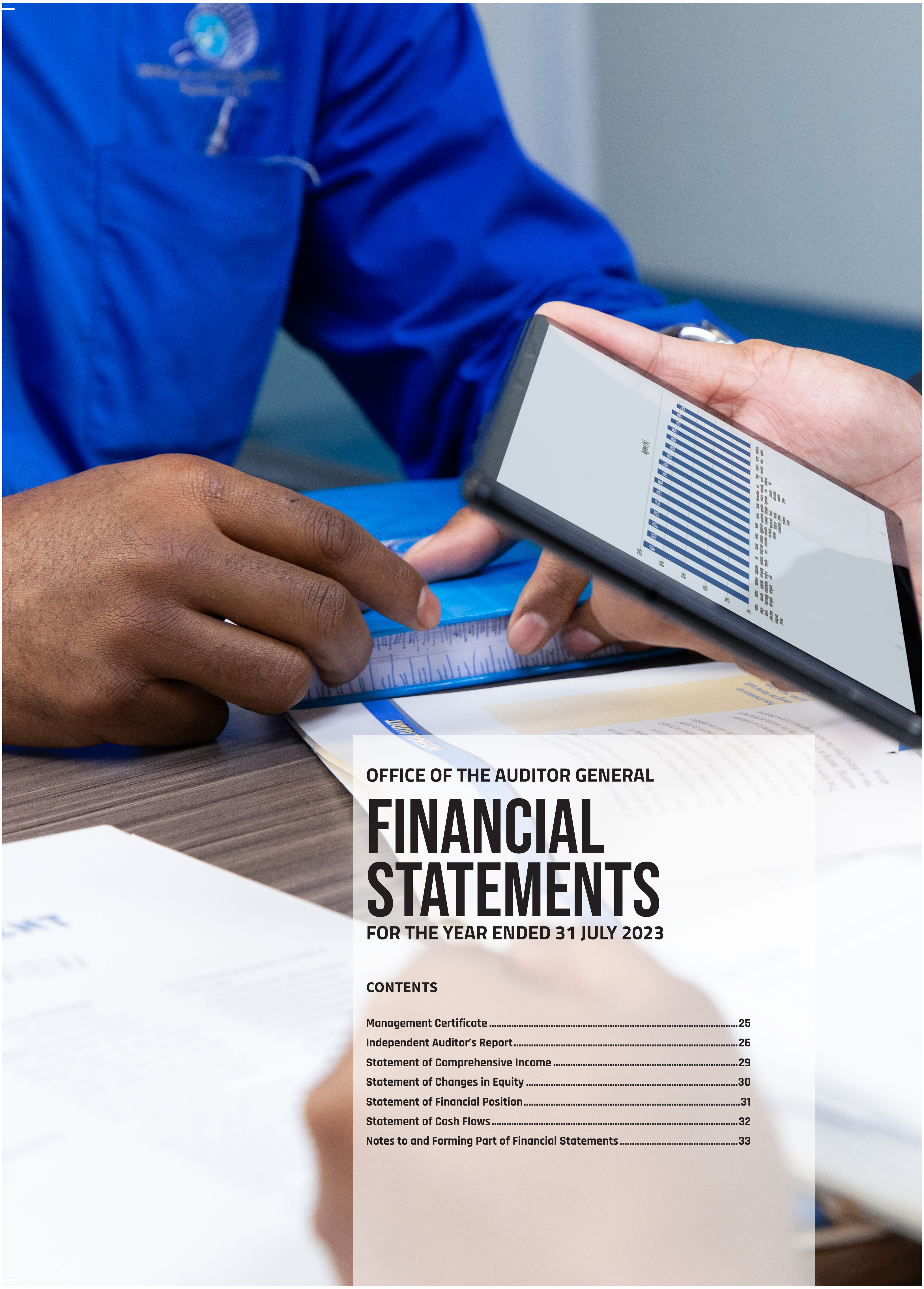
Financial Year	2023	2022	2021
Audit Fees Collected ($)	891,022	595,314	462,764

ASSETS AND LIABILITIES

Our assets and liabilities as set out in the Statement of Financial Position mainly comprised of cash, property, plant & equipment, intangible assets, and current liabilities of accounts payable, employee benefits and unutilized grant.

The cash balance recorded relate largely to the costs of outsourced audits that are committed and/or are still in progress by year end. This is aligned to the unutilized grant recorded as current liabilities as we recorded more liabilities than assets. We will recognize the cost of outsourced audits as accounts payable when invoices are received from our contract auditors.





OFFICE OF THE AUDITOR GENERAL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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OFFICE OF THE AUDITOR GENERAL

MANAGEMENT CERTIFICATE

FOR THE YEAR ENDED 31 JULY 2023

We certify that the accompanying Financial Statements:

a) fairly reflect the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Statement of Cash Flows of the Office of the Auditor General for the year ended 31 July 2023; and

a) have been prepared in accordance with the requirements of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and Financial Management Act 2004.

Dated at Suva this 17th day of October 2024.

Sairusi Dukuno
Deputy Auditor-General

Finau Nagera
Auditor-General

KPMG

Independent Auditor's Report

To the Minister of Finance

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Office of the Auditor General ("the Office"), which comprise the statement of financial position as at 31 July 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out in Notes 1 to 19.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Office as at 31 July 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized entities (IRSs for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The financial statements of the Office for the year ended 31 July 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 May 2023.

Other Information

The Management are responsible for the other information. The other information comprises the information included in the Management Certification report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFSs for SMEs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management are responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

i). proper books of account have been kept by the Office, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and

ii). to the best of our knowledge and according to the information and explanations given to us, the financial statements give the information required by the Financial Management Act 2004, in the manner so required.

KPMG

KPMG
Chartered Accountants

18 October, 2024
Suva, Fiji

OFFICE OF THE AUDITOR GENERAL

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2023

	Notes	31 July 2023 $	31 July 2022 $
Income			
Grant Income	4(a)	5,343,968	4,709,322
Interest		145	228
Other income	4(b)	6,375	6,094
Total Income		**5,350,488**	**4,715,644**
Expenses			
Salaries, wages and other benefits	5(a)	3,833,856	4,046,880
Travel, accommodation and communications	5(b)	163,787	51,004
Maintenance	5(c)	10,423	19,835
Contract audit fees		524,998	181,647
Other operating expenses	5(d)	517,115	221,258
Computers & IT services	5(e)	12,338	9,335
Special expenditure	5(f)	-	17,814
Depreciation expense	8	112,992	71,161
Amortisation expense	9	57,316	20,314
Audit fees		30,750	8,400
Total Expenses		**5,263,575**	**4,647,648**
Net surplus for the year		**86,913**	**67,996**

The accompanying notes form an integral part of this Statement of Comprehensive Income.

OFFICE OF THE AUDITOR GENERAL

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2023

	Notes	31 July 2023 $	31 July 2022 $
Balance as at 1 August		(124,658)	(192,654)
Net surplus for the year	4(a)	86,913	67,996
Balance as at 31 July		**(37,745)**	**(124,658)**

The accompanying notes form an integral part of this Statement of Changes in Equity.

OFFICE OF THE AUDITOR GENERAL
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JULY 2023

	Notes	31 July 2023 $	31 July 2022 $
Current assets			
Cash	6	1,064,580	561,442
Other assets and receivable	7	181,593	96,571
		1,246,173	**658,013**
Non-current assets			
Other assets and receivable	7	7,099	8,952
Property, plant and equipment	8	332,943	295,875
Intangible assets	9	149,696	116,125
		489,739	**420,951**
Total assets		1,735,911	1,078,964
Current liabilities			
Accounts payable	10	283,838	236,353
Employee Benefit Liability	11	308,534	340,008
Unutilized Grant	12	1,038,776	535,574
Deferred Income	15	37,127	3,063
		1,668,275	1,203,622
Non-current liabilities			
Deferred Income	15	105,381	88,624
		105,381	**88,624**
Total liabilities		**1,773,656**	**1,203,622**
Net asset deficiency		**(37,745)**	**(124,658)**
Equity			
Accumulated losses		(37,745)	(124,658)
Total equity		(37,745)	(124,658)

The accompanying notes form an integral part of this Statement of Financial Position.

OFFICE OF THE AUDITOR GENERAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	31 July 2023 $	31 July 2022 $
Cash flows from operating activities			
Receipt from grants		5,807,103	5,002,851
Commission received		6,375	6,094
Interest received		145	228
Payment for contracted audit services		(512,960)	(181,644)
Payment to employees		(3,849,075)	(4,041,105)
Payment to suppliers and vendors		(798,390)	(263,403)
Net cash from operating activities		**653,198**	**523,021**
Cash flows from investing activities			
Payment for plant & equipment, and intangible asset		(150,060)[1]	(321,046)
Net cash used in investing activities		**(150,060)**	**(321,046)**
Net increase in cash		503,138	195,881
Cash at beginning of financial year		561,442	365,561
Cash at end of financial year	**6**	**1,064,580**	**561,442**

[1] $90,887 is the non-cash movement in the intangible note. Refer to note 15.

The accompanying notes form an integral part of this Statement of Cash Flow.

OFFICE OF THE AUDITOR GENERAL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTE 1 GENERAL INFORMATION

The Office of the Auditor-General of Fiji (OAG) assists the Auditor-General deliver against the mandate of the Constitution of the Republic of Fiji and the Audit Act 1969. The work of OAG is also governed by auditing standards issued by the International Organization of Supreme Audit Institutions and the Fiji Institute of Chartered Accountants. The Financial Management Act 2004 requires that the Ministry of Finance must ensure that adequate funding is appropriated to any independent office to ensure that the independent office independently and effectively exercise its powers and perform its functions and duties.

NOTE 2 PRINCIPAL ACTIVITY

The Office of the Auditor General ('Office') is an independent Office established under Section 151 of the Fijian Constitution with the function to inspect, audit and report to the Parliament on:

- the public accounts of the State;
- the control of public money and public property of the State; and
- all transactions with or concerning public money or public property of the State.

NOTE 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB).

The principal accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Set out below is a summary of the significant accounting policies adopted by OAG in the preparation of the financial statements for the year ended 31 July 2023.

b) Basis of accounting

The financial report has been prepared on the basis of historical costs and except where specifically stated do not take into account current valuations of non-current assets.

In the application of IFRS for SMEs, management is required to make judgements, estimates and assumptions about carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual result may defer from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period. Judgements made by management in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed where applicable, in the relevant notes to the financial statements.

c) Functional and presentation currency

The financial statements are presented in Fiji Dollars which is also the functional currency of the Office. All financial information presented in Fijian currency has been rounded to the nearest dollar.

d) Foreign currency

Foreign currency transactions are translated to Fijian currency at rates of exchanging ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fijian currency at the rates of exchange ruling at balance date. All exchange gains or losses whether unrealized are included in the statement of comprehensive income.

e) Cash

Cash includes cash on hand and cash at bank.

f) Value Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognised net of VAT, except: i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; ii) For receivables and payables which are recognised inclusive of VAT.

The net amount of VAT payable to, or receivable from, the taxation authority is included as part of payables or receivables.

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2023

NOTE 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Government grant

The Office receives grant from Government of Fiji for its operations. The grant released by Government does not specify any specific performance conditions however grant are to be used in line to the annual budget submission to the Government. The Government have the right recall any unused funds by the Office. This grant compensates the Office for cost incurred and paid for operational and capital needs, and are recognized in profit or loss as grant income on a systematic basis in the periods in which expenses are incurred and paid. In this case, the grant is recognized when it becomes receivable.

Non-governmental grants related to assets are initially recognized as deferred income at cost, if there is reasonable assurance that they will be received and the Office will comply with conditions associated with the grant. Grants related to acquisition of assets are recognized in profit or loss as grant income on a systematic basis over the useful life of the asset.

In the event any Grant that imposes specific future performance conditions is recognised in income when those conditions are met. Grants received before the income recognition criteria are satisfied are presented as a separate liability in the Statement of Financial Position.

h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment for current and prior period.

- Computer Hardware (20%- 25%)
- Motor Vehicles (20%- 25%)
- Office Equipment (10%- 25%)
- Fixtures & Fittings (10%- 25%)

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectation.

i) Intangible asset

Intangible asset is a purchased software that is stated at cost less accumulated amortization and any accumulated impairment losses. It is amortised over its estimated useful life using the straight-line method. The software has an estimated useful life of 5 years.

If there is an indication that there has been a significant change in amortization rate, useful life, or residual value of an intangible asset, the amortization rate is revised propectively to reflect the new expectation.

j) Impairment of assets

At each reporting date, property, plant, and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount, the higher of an asset's (or cash generating unit's) fair value less costs to sell and its value in use, of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

k) Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. They are measured at amortized cost.

OFFICE OF THE AUDITOR GENERAL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

NOTE 3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

l) **Employee benefit obligations**

Superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss as the services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided. A liability is recognised for the amount to be paid under short-term benefits if OAG has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

Liabilities for annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

m) **Provisions and contingencies**

Provisions are recognised when there is an obligation at the reporting date as a result of a past event; it is probable that the Office will be required to transfer economic benefit in settlement; and the amount of the obligation can be estimated reliably. Provisions are measured at the present value of the amount expected to be required to settle the obligation.

n) **Comparatives**

Comparative information has been restated where necessary to achieve consistency in disclosure with current year amounts.

	31 July 2023 $	31 July 2022 $
NOTE 4 INCOME		
(a) Grant Income		
Government of Fiji - Operating Grant	5,303,902	4,706,259
PASAI Grant	40,066	3,063
	5,343,968	**4,709,322**
(b) Other Income		
Commission	6,375	6,094
	6,375	**6,094**
NOTE 5 EXPENSES		
(a) Salaries, wages and other benefits		
Established staff	3,515,945	3,707,502
Unestablished staff	50,514	27,191
Annual leave expense	267,397	312,187
Total salaries, wages and other benefits	**3,833,856**	**4,046,880**

The number of employees at the end of the financial period was 80 (2022: 81)
Established: 77 (2022: 79)
Unestablished: 3 (2022: 2)

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2023

NOTE 5 EXPENSES (cont'd)

	31 July 2023 $	31 July 2022 $
(b) Travel, accommodation and communications		
Subsistence	47,802	11,370
Telephone and internet	32,193	28,279
Travel	83,792	11,355
	163,787	**51,004**
(c) Maintenance		
Maintenance	491	9,543
Motor vehicle expenses - Fuel	9,932	10,292
	10,423	**19,835**
(d) Other operating expenses		
Advertising	3,538	1,959
Awareness	-	8,256
Bank charges	1,043	1,150
Professional fee - consultancy	285	10,095
Books, pamphlets and publication	3,629	7,574
Electricity	48,156	34,818
Incidentals	12,102	11,838
Repair & maintenance - furniture & fittings	642	1,251
Legal fees	29,675	-
Occupational Health & Safety (OHS)	902	4,833
Office cleaning services	31,973	19,593
Office equipment	11,437	13,937
Office meeting logistics	1,225	569
Repair & Maintenance - office equipment	11,241	1,211
Software license fees	48,006	37,895
Stationery & printing	55,070	47,156
Strategic planning workshop	2,836	1,448
Subscription fees	13,475	14,287
Training	27,980	2,550
Uniform	-	837
Impairment expense on other receivables	213,900	-
	517,115	**221,258**
(e) Computers & IT services		
Software	11,839	5,272
Website	325	325
Others	174	3,738
	12,338	**9,335**
(f) Special expenditure		
INTOSAI & Commonwealth AGs meeting	-	17,814
	-	**17,814**

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2023

NOTE 6 CASH

	31 July 2023 $	31 July 2022 $
Cash on hand	78	107
Cash at bank: (Operating - ANZ)	1,034,605	531,403
Cash at bank: (Operating - HFC)	28,973	28,938
Cash at bank: (Cheque - BSP)	924	994
	1,064,580	**561,442**

Reconciliation of cash
For the purposes of the statement of cash flows, cash include cash at bank and cash on hand. Refer to Note 12(a) for restricted cash.

NOTE 7 OTHER ASSETS AND RECEIVABLES

Prepayments	124,578	26,507
Refundable deposits	1,416	1,416
Accountable advance	94	222
Value Added Tax receivable	276,504	77,378
	402,592	105,523
Less: allowance for impairment losses	(213,900)	-
	188,692	105,523
Other assets and receivables represented by:		
Current	181,593	96,571
Non-current	7,099	8,952
Total other assets and receivables	188,692	105,523

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out as follows:

	Computer Hardware	Motor vehicles	Furniture and fittings	Office Equipment	Total
Cost	**$**	**$**	**$**	**$**	**$**
Balance as at 31 July 2022	261,158	43,111	56,758	297,196	**658,223**
Acquisitions	79,803	-	70,257	-	**150,060**
Disposals	-	-	-	-	**-**
Balance as at 31 July 2023	340,961	43,111	127,015	297,196	**808,283**
Accumulated depreciation					
Balance as at 31 July 2022	70,412	43,111	17,302	231,522	**362,347**
Depreciation for the Year	68,082	-	19,135	25,775	**112,992**
Disposals	-	-	-	-	**-**
Balance as at 31 July 2023	138,494	43,111	36,437	257,297	**475,339**
Carrying amount					
As at 31 July 2022	**190,746**	**-**	**39,456**	**65,674**	**295,875**
As at 31 July 2023	**202,467**	**-**	**90,578**	**39,899**	**332,943**

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2023

NOTE 9 INTANGIBLE ASSETS

	31 July 2023 $	31 July 2022 $
Software		
Cost:		
Balance as at 1 August	580,210	485,460
Additions	90,887	94,750
Balance as at 31 July	671,097	580,210
Accumulated amortisation		
Balance as at 1 August	464,085	443,771
Amortisation for the year	57,316	20,314
Balance as at 31 July	521,401	464,085
Net amount	**149,696**	**116,125**

NOTE 9 INTANGIBLE ASSETS (CONT'D)

Software include the OAG Navision Financial Management Information System, Payroll PayGlobal System and TeamMate+. Computer software is capitalised at the net invoice cost plus any related consulting and/or training costs associated with the initial software implementation (including the initial license cost) and amortised by an impairment charge over its remaining life to arrive at the carrying amounts.

NOTE 10 ACCOUNTS PAYABLE

Fiji National Provident Fund payable	1,827	717
Fringe Benefit Tax (FBT) payable	65	65
Trade payables	236,611	222,056
Salaries & wages payable	28,660	13,515
Legal fees payable	16,675	-
	283,838	**236,353**

NOTE 11 EMPLOYEE BENEFIT LIABILITY

The movement during the year is as folllows:		
As at 1 August	340,008	342,085
Arising during the year	267,397	312,187
Utilized	(298,871)	(314,264)
As at 31 July	**308,534**	**340,008**
Represented by:		
Current	**308,534**	**340,008**

OFFICE OF THE AUDITOR GENERAL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2023

NOTE 12 UNUTILIZED GRANT

		31 July 2023 $	31 July 2022 $
(a) INTOSAI unutilized grant			
	Opening balance	4,171	4,171
Add:	Grant received	-	-
Less:	Grant utilized	-	-
		4,171	**4,171**

The "INTOSAI SAI Continuity COVID-19 Grant" was launched in early October 2020. The aim of this grant is to assist Supreme Audit Institutions (SAIs) with continuity of operations, through ICT and staff safety measures support, to respond to the needs caused by the COVID-19 Pandemic. Through this funding, the Office was able to purchase a server as part of its Disaster Recovery Plan.

The balance is held as restricted cash in the HFC Bank Operating account.

(b) Government unutilized grant			
	Opening balance	531,403	335,652
Add:	Grant received	5,807,104	4,902,010
Less:	Grant utilized	5,303,902	4,706,259
		1,034,605	**531,403**
	Prior years unutilized grant	531,403	335,652
	Current year unutilized grant	503,202	195,751
		1,034,605	**531,403**
Total unutilized grant		**1,038,776**	**535,574**

Unutilised Government Grant of $1,034,605 includes $335,652 as the closing balance from FY 2020/2021 and $195,751 from FY 2021/2022 which had been carried forward. These funds are committed to outsourced audits in progress and will only be realised when invoices are received from our contract auditors. Unused governement grant can be called by government immediate hence are classed as current.

NOTE 13 AUDIT FEES

Audit fees	891,022	595,314
	891,022	**595,314**

Audit fees is State revenue, therefore disclosed as part of the Notes to the financial statements only.

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2023

NOTE 14 ACCOUNTS RECEIVABLE

	31 July 2023 $	31 July 2022 $
Audit fees receivable	322,899	140,917
	322,899	**140,917**

Audit fees receivable belongs to the State, hence disclosed as part of the Notes to the financial statements only.

NOTE 15 DEFERRED INCOME

On 1 August	91,687	94,750
Additions	90,887	-
Less: amortisation	(40,066)	(3,063)
On 31 July	142,508	91,687
Current	37,127	3,063
Non-current	105,381	88,624
Net defered income	**142,508**	**91,687**

PASAI funded the TeamMate+ software fees from 2 June 2022.

NOTE 16 CONTINGENT LIABILITIES

1) A defamation action against the Auditor General was taken by Aliz Pacific & Dr Nur Bano Ali in which the plaintiffs sought damages against the Office. The High Court in its ruling on 31 January 2018 dismissed the claim of Aliz Pacific & Dr Nur Bano Ali, however, appealed. On 28 October 2022, the judgement of the Supreme Court was delivered in which the petition of the plaintiffs was successful. The matter was referred to the Master of the High Court for assessment of special and general damages. The Master delivered her judgement on 4 September 2023. A Notice of Appeal has been filed against this judgement and the appeal is set for hearing on 14 of October 2024.

2) The Auditor General is a party to a legal action brought against the Office by a former employee. The trial date at the Employment Relations Court of Fiji is set for 3rd and 4th of February 2025 and the outcome is uncertain.

NOTE 17 SUBSEQUENT EVENTS

There are no known subsequent events which will have a material effect on these financial statements except as otherwise disclosed in the financial statements.

NOTE 18 COMMITMENTS

As at 31 July 2023, there were no capital expenditure commitments (2022: $Nil).

OFFICE OF THE AUDITOR GENERAL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2023

NOTE 19 RELATED PARTY TRANSACTIONS

The Office of the Auditor General is an independent Office established under Section 151 of the Constitution of Fiji with the function to audit and report to Parliament on:

- the public accounts of the State;
- the control of public money and public property of the State; and
- all transactions with or concerning public money or public property of the State.

The Office of the Auditor General does not have any related party relationships, as defined by Section 33 of the IFRS for SMEs, with State or public entities that it audits. However, the Office does have transactions which are not related party transactions, with certain government agencies that it also audited, such as the Ministry of Finance and the Ministry of Civil Service. These transactions are disclosed for the purposes of transparency:

- The provision of office accommodation, the lease agreement is between the Ministry of Finance/Ministry of Civil Service and the owners of the office buildings.

	31 July 2023 $	31 July 2022 $
Key management personnel compensation		
Key management personnel remuneration	704,953	596,694

Key management personnel as at 31 July 2023 comprised the Acting Auditor General, the Acting Deputy Auditor General, an Assistant Auditor General and four Senior Managers that have taken on the role of Acting Assistant Auditors General during the year.

OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

Phone: +679 8921 519
Email: info@auditorgeneral.gov.fj
Mail: P. O. Box 2214,
Government Buildings
Suva

Location: Top Floor, Modyl Plaza,
Karsanji Street,
Vatuwaqa,
Fiji.