



STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMMITTEE REVIEW REPORT ON THE AUDIT BILL

(BILL NO. 17 OF 2024)



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Chairman's Foreword

I am pleased to present this Public Accounts Standing Committee report to Parliament. This report provides the results of the Committee's scrutiny process and the proposed amendments to the Audit Bill (Bill No. 17 of 2024).



First, the objectives of the Audit Bill 2024 ('**Bill**') is to repeal the Audit Act 1969 ('**Act**') and provide for standardised provisions in line with international standards and best practices. Also, the Bill is in line with the establishment and functions of the Office of the Auditor General as mandated under Section 151 and 152 of the Constitution of the Republic

of Fiji.

The Audit Act 1969 also provides the legal framework for the duties and powers of the Auditor General. The principal objectives of the Act are to provide for the salary, duties, and powers of the Auditor General, the auditing of public accounts and other related purposes.

Historically this exercise to review the Audit Act of 1969 began in 2018 but was not able to be finalised. This (the Review) is one of the Public Financial Management Reform Policy Action that was recommended under Public Expenditure and Financial Accountability (PEFA) Assessment. In 2023, the Ministry of Finance and Strategic Planning, National Development and Statistics with the Office of the Auditor General undertook a comprehensive review of the Act and conducted wide consultations with stakeholders. The changes were also needed in line with Pacific Association of Supreme Audit Institutions (PASAI) and International Organisation of Supreme Audit Institutions (INTOSAI) audit requirement standards, hence this Audit Bill.

The Committee examined the Bill in a tactical manner in which all the stakeholders were informed and given the opportunity to provide submissions on the Bill. The advertisements were published more than once on the Fiji Times and through the Parliament Website and Facebook page with invitation letters were sent to the relevant Government departments and Stakeholders to provide submissions.

The Committee had conducted consultations around key locations in Fiji including Vanualevu and Vitilevu. Further to that, the Committee had also conducted public hearings within Parliament precinct.

The formulation of the report was possible through all the information gathered from the stakeholder's consultations including the Committee session with the Office of the Auditor General and the Solicitor General's Office. The 4 weeks consultation exercise and the information gathered really assisted the Committee in its decision on the necessary amendments that needs to be made in the Audit Bill.


In comparison to other Audit Entities especially from PASAI and INTOSAI member countries, we are happy to say that all the audit requirement standards will be met except Financial Independence and referrals to the Minister of Finance. This is due to the fact that the OAG is not ready or cannot be made financially independent in a short period of time, however plans are in place under PEFA which is currently doing an assessment to have this relooked into and adjusted in the next 3 years.

At this juncture, the Committee wish to thank all the stakeholders who participated and contributed to the consultations process of this Bill in which valuable information were collected which assisted the Committee to formulate this bipartisan report make the necessary amendments in the Bill.

In addition, I also would like to thank the Honourable Members of the Public Accounts Standing Committee for their input and hard work towards the production of this bipartisan report. My Committee colleagues, Hon. Sakiusa Tubuna (Deputy Chairperson), Hon. Jovesa Vocea (Member), Hon. Alvick Maharaj (Member) and Hon. Naisa Tuinaceva (Member). I also wish to thank the alternate members of the Committee who took part in the deliberation and the consultations process namely, Hon. Taito Rokomatu and Hon. Penioni Ravunawa who stood in as alternate members pursuant to Standing Order 115(5).

Lastly, I thank the Secretariat for the support rendered to the Committee in the formulation of this report.

Thank You,



Hon. Esrom Y. Immanuel
Chairperson

Introduction

Using the legislative powers provided to the Committee, this report examines the Government's proposal to introduce a Bill to repeal the Audit Act of 1969 (Bill No. 17 of 2024).

The Audit Bill was introduced in Parliament on 6th September 2024 during its 1st reading and then referred to the Committee on 2nd October 2024 after its second reading in the House. The Committee report provides the details of how the Committee examines the Bill, these in terms of the consultations that were conducted, information that were collected and appropriate amendments agreed by the Committee to be made in the Bill.

The Committee had invited public submissions through advertisements made in the Fiji Times from Saturday 2nd and Saturday 9th November 2024. Due to the 30 days deadline for the Committee to consider the Bill and report back to Parliament, the Committee on Tuesday, 26th November 2024 closed its calls for public submissions.

The Committee received 7 written submissions after its call for submissions and held oral evidence sessions with the Councillors in Savusavu, Solicitor General's Office and Office of the Auditor General. Written submissions were received from the Office of the Auditor General (OAG), Ministry of Finance (MOF), Fiji Institute of Chartered Accounts (FICA), University of the South Pacific from the School of Accounting, Finance and Economics, Pacific Association of the Supreme Audit Institution (PASAI), Fiji Revenue and Customs Services (FRCS) and the Fiji Law Society (FLS). A full list of the evidence received is available in the Annexes.

The Committee extends its gratitude to all stakeholders who were involved, participated, and provided essential contribution to the consultation process undertaken on the Bill.

Historically this exercise to review the Audit Act of 1969 Bill began in 2018 but was not able to be finalised. This (the Review) is one of the Public Financial Management Reform Policy Action that was recommended under PEFA. In 2023, the Ministry of Finance and Strategic Planning, National Development and Statistics with the Office of the Auditor General undertook a comprehensive review of the Act and conducted wide consultations with stakeholders, hence this Audit Bill. Upon hearing the presentation especially from the Ministry of Finance, Office of the Auditor General and the Solicitor General's Office, the Committee have a clear view of the purpose of the Audit Bill which is to repeal the Audit Act 1969.

The Committee examined the Bill in reference to its purpose and in closed consultations with relevant stakeholders, in terms of how the implementation of the Bill affects the community, public and other relevant laws of Fiji.

In comparison to other Audit Entities especially from PASAI and INTOSAI member countries, we are happy to say that all the audit requirement standards will be met except Financial Independence and referrals to the Minister of Finance. This is due to the fact that the OAG is not ready or cannot be made financially independent in a short period of time, however plans are in place under PEFA which is currently doing an assessment to have this relooked into and adjusted in the next 3 years.

Committee Remit and Membership

The Committee is a standing Committee of the Fijian Parliament and was established under Section 109 (2) of the Standing Orders (SO) of Parliament of the Republic of Fiji. The Committee comprises of five (5) honourable members, drawn from both the Government and the Opposition parties.

The Committee is mandated to examine the expenditure of Government. Section 110 (1) (a) of the SO mandates the Committee to examine the Bill as referred by Parliament, and make appropriate amendments to the Bill, to the extent agreed by the Committee.

On Wednesday 2 October 2024, the Speaker of Parliament through the resolution of Parliament that the Audit Bill (Bill No. 17 of 2024) be referred to the Standing Committee on Public Accounts to examine and report back to Parliament in December Parliament Sitting.

Committee Members

The members of the Standing Committee on Public Accounts are as follows:

1. Hon. Esrom Immanuel - Chairperson
2. Hon. Sakiusa Tubuna - Deputy Chairperson
3. Hon. Jovesa Vocea - Member
4. Hon. Alvick Maharaj - Member
5. Hon. Naisa Tuinaceva - Member

Analysis of the Evidence Received

The Committee undertook consultations from the 28th of October 2024 to 26th November 2024 and received a total of eight (8) submissions emanating out of the public consultations that were held in the Northern, Western and Central Divisions.

During the committee's scrutiny process of the evidence received, a number of key issues were highlighted and subsequently these assisted the Committee in identifying and agreeing to the relevant amendments to the Bill.

Some of the **major amendments** proposed by the Committee to be made in the Bill are as follows:

1. **Rearranging of Clauses in Part 2 of the Bill (Part 2)**

The Committee agreed that for consistency purposes with the Fijian Constitution, it is appropriate to rearrange the clauses in Part 2. The amended clauses now read,

- **Clause 3 Auditor General – Moved, to be Clause 4**
- **Clause 4 Acting Auditor General – Moved, to be Clause 5**
- **Clause 5 Office of Auditor General – Moved, to be Clause 3**
- **Clause 6 Powers of the Auditor General – No Change**
- **Clause 7 Code of Ethics – Moved, to be Clause 9**
- **Clause 8 Delegation – Moved, to be Clause 7**
- **Clause 9 Protection from Liability – Moved, to be Clause 8**

2. **Auditor General (Clause 3)**

The Committee agrees to add *Clause 3(3)*, *“The Auditor General shall not engage in any activity that conflicts with their duties and responsibilities, including the provision of non-audit services to any entity being audited”*.

The Committee noted that it is necessary to add a sub-clause (3) so that the independence of the Office of the Auditor General and its staff is bolstered and only focus on their core mandate which is audit work.

Also, this provision will prevent conflicts of interest and establishes clear guidelines for the provision of non-audit services. This similar clause exists in other country's Audit Act.

3. **Powers of the Auditor General (Clause 6)**

- i. The Committee agrees to amend **Clause 6 (1) (e)** by replacing the word **“Attorney General”** to **“Solicitor General”**, for independence purposes.

Given that the Attorney General is the legal advisor of the Government, the Committee recommends that the Solicitor General to replace the word Attorney

General. The Committee noted that the provision in **Clause 6 (1) (f)** is an added power of the Auditor General.

- ii. The Committee agrees to amend **Clause 6 (4)** by adding a **sub-clause (d)**, “*The Auditor General shall employ appropriate technology and data analytics to improve audit outcomes and methodologies*”.

While electronic access is essential, the transformative potential of technology and AI lies in their ability to automate processes, analyse data at scale, and produce actionable insights that go beyond simple record-keeping. Embracing technology and AI can transform the auditing process, enhancing efficiency, accuracy, and the ability to provide meaningful insights, thereby positioning the OAG to better serve the needs of the government and the public.

The Committee noted that the new sub-clause (d) will empower the OAG to adopt technological advancements to enhance efficiency and effectiveness of audits. This including utilising data analytics, AI and other digital tools. This similar clause exists in other country’s Audit Act.

4. **Amendments to the Title, “Duties of the Auditor General” (Clause 11)**

- i. In **Clause 11**, the Committee agrees to amend the title, “Duties of the Auditor General” and renamed it to, “*Financial Audit*”.

The amendment is necessary as **Clause 11** articulates the functions of the Auditor General on financial audits including the various accounts that it requires to audit with its reporting mandates.

- ii. Also, in **Clause 11 (3) (b)**, the Committee agrees to add, “*or letter*”, which reads, “*an audit management report or letter*”. This new inclusion is necessary so that the provision is consistent with the OAG’s current practice in relation to the issuance of management letter to the audited entities for their responses.

5. **Amendments to the Title, “Secrecy” (Clause 16)**

In **Clause 16**, the Committee agrees to amend the Title by replacing the word “Secrecy” with the word “*Confidentiality*”. However, on that note, any provision that related to secrecy specifically will come under the Title, “**Confidentiality**”. The Committee noted that the word “secrecy” has been phased out and the word “confidentiality” is currently being used in most legislations.

6. Notification of serious irregularities (Clause 17)

The Committee agrees to amend Clause 17 (2), by changing the word from “may” to “*must*”. It is a must for the Office of the Auditor General to report any serious irregularities identified during the time of the audit, for transparency and accountability purposes. It also improves the independence of the Auditor General.

7. Audit of Other Entities (Clause 18)

The Committee agreed to amend Clause 18 (1) and also include the approval authority as in Clause 12 and performance audit, which reads, “*The Auditor General may, if requested by the Prime Minister, Minister or Parliament or the entity concerned, audit the accounts or financial statements or conduct performance audit of any entity (whether incorporated or otherwise) other than a public entity*”.

This provision is important as it covers the audit of other entities that receives Government grant, or if the entity’s borrowings have in whole or in part been guaranteed by Government and those of public interest. The Committee noted that it is necessary to amend Clause 18 (1) and including the wider approval authority from Clause 12, for transparency and accountability purposes.

8. Report (Clause 21)

The Committee agrees to amend Clause 21 (2) (a) and (b) to change the word from “may” changing it to “*must*”. The Committee noted that it is necessary to amend the word may to must, so that OAG’s reporting to Parliament is mandatory.

9. Publication of Reports (Clause 22)

The Committee agrees to amend Clause 22 (4), to change the word from “may” changed it to “*must*”. The Committee noted that it is necessary to amend the word may to must, so that OAG’s publication of reports is mandatory for transparency and accountability purpose.

The Committee noted that it is necessary that the Bill should mandate comprehensive and transparent reporting by the Auditor General, including the requirements to present audit findings to Parliament and to make them publicly available and accessible as per the practices from other jurisdictions.

Consultations

There are number of key issues raised during the committee’s scrutiny and consultation process with regards to the contents of the Audit Bill. The Committee considered all the written and oral submissions made by the stakeholders and after its deliberation the Committee formulated its recommendations as highlighted in the previous section.

However, the relevant stakeholders including the Solicitor General’s Office, Office of the Auditor General, Ministry of Finance, Fiji Institute of Chartered Accounts, University of the South Pacific, Councillors in Savusavu, Pacific Association of the Supreme Audit Institution, Fiji Revenue and Customs Services and the Fiji Law Society. The Committee noted that there are some proposed changes that will have an effect on the Fijian Constitution and Government policies, and this was thoroughly discussed to be considered in future review.

Some of the issues that were discussed and not included in the amendments are listed below, for information.

1. Interpretation (Clause 2)

The Committee agrees that **Clause 2** to include the definition of “*natural person*” for clarity purpose. The word ‘natural person’ appears in Clause 19, “Audit of the Office of the Auditor General”, the Committee noted that it is necessary to include the definition of natural person in the Interpretation section which is in Clause 2 of the Bill This is for clarity purpose, on whether it refers to a person or an organisation or audit firm. However, after the consultations the Committee approved not to include in the amendments or not specifically defined as this is catered for under the definition of “person” under the Interpretation Act 1967.

2. Office of the Auditor General (Clause 5)

- i. **Clause 5 (1)** - Provide explanation on whether it supposed to be an independent office or constitutional office. In the constitution it states that appointment is by the COC while here it is stated that the office is an independent office.
- ii. **Clause 5 (2) & (4)** - The Committee clarified that if the OAG can open a separate Bank Account and has control of the funds. Does this mean that the OAG can keep revenue and will not send the balance to the Consolidated account as currently allowed and practice.
- iii. **Clause 5 (6)** – The Committee clarified if it could add in **sub-clause (6)**, “**The Office of the Auditor General shall establish a program for the continuous professional education and training of its staff in accordance with recognized standards**”. The Committee after its consultation agreed that there is no need to include in the Bill the above sub-clause because it will require resources.

3. Powers of the Auditor General (Clause 6)

- i. **Clause 6 (1) (e)**- Provide explanation on why obtain legal advice from the private practice and not the Solicitor General or both. The legal clarifications received that this provision is within the powers of the Auditor General.

4. Powers of the Auditor General (Clause 6) and Mandate of the Auditor General (Clause 10)

- i. **Clause 6 & Clause 10** – The Committee raised if the two (2) Clauses could be merged. The Committee after its consultations it agrees not to make any amendments to the two (2) clauses as both clauses have different meaning and served different purpose in the Bill.

5. Duties of the Auditor General (Clause 11)

- i. The Committee decided to add in **sub-clause (2) (a)**, *“truthfully and”*, to read as, **(a)** the accounts have been presented *“truthfully and”* fairly in all material as respects and properly kept. The Committee agreed after the consultation not to make any amendments as that is the current standard which says, *“that the accounts have been presented fairly in all material respects and properly kept”*.

6. Special Investigation (Clause 12)

- i. **Clause 12 (1)** - Special investigation should include entities where Government provides funding or grant or even guarantee as well to be in line with “follow the dollar” provisions used by other countries. It was clarified that on whether the Parliament with the Public Accounts Committee or any of its committees can be included in Clause 12 (1). The response received during the consultations that Parliament has the mandate to approve for a special investigation to be conducted based on the recommendations of a Standing Committee of Parliament. In this regard, the Committee agrees not to make amendments in Clause 12.

7. Special Investigation (Clause 13)

- i. **Clause 13 (6) (a)** – The Committee clarified on the provisions in Clause 13 (6) (a) *“a Government policy direction of a relevant Minister”*. The Committee noted after the consultation that the provisions was referred to as directed by Cabinet as by the Minister responsible and there was also no need to make amendments.

8. Auditing Standards (Clause 15)

- i. The Committee raised that in **Clause 15**, if there is any change or modifications on the international audit standards than this should be brought to Parliament for the

amendments. However, after the consultations the Committee agreed not to amend Clause 15 as this has been well explained and covered under **Clause 7**.

9. Audit of the Office of the Auditor General (Clause 19)

- i. **Clause 19 (2)** - A person who is or has been in the Office of the Auditor General for the last 3 years, cannot audit or be appointed to audit the accounts of the Office of the Auditor-General.
- ii. **Clause 19 (4)** - Must report the result to Parliament and a copy can be provided to the Office of the Auditor General. The Committee noted that the report not to be directly send to the Auditor General. However, the Committee agreed after the consultations not to make any amendments in **Clause 19** as it will contradicts with current process in place and the reports will eventually be tabled in Parliament as mandated under the amendments made in **Clause 21** of the Bill.

10. Publication of Reports (Clause 22)

- i. **Clauses 22 (1)** – The Committee raised that the OAG need to report to Parliament within 6 months. “A report of the Auditor General to Parliament about a financial audit must be submitted to the Speaker of Parliament within **6 months** after the end of the financial year.” However, after the consultation it has been agreed by the Committee not to make any amendments and it would not be ideal to report within 6 months and maintain the 9 months as is in the Bill.
- ii. **Clause 22 (5)** – The Committee discussed to add sub-clause (5), “the Auditor General shall engage with stakeholders, including civil society, to gather input and feedback on audit processes and findings”. After the consultations the Committee agreed not to include the proposed sub-clause (5) as it can go on the OAG manual and processes.

Part 5 – MISCELLANOUS

11. Extraterritorial Operation (Clause 24)

- i. The Committee seeks clarifications on why **Clause 24** is under Miscellaneous and explain the “**Extraterritorial operation**”. The Committee agreed after the consultation with the Solicitor General’s Office that there is no need to amend Clause 24 as it refers to those accounts in the missions that are under the Ministry of Foreign Affairs.

12. Regulations (Clause 25)

The absence of penalties in the Bill significantly undermines the potential effectiveness and authority of the OAG. To ensure meaningful enforcement of audit recommendations, accountability for financial governance, and public trust in government operations, it is crucial that the Bill includes mechanisms for penalties. Without these provisions, the functions of the OAG may be diminished, and the overall goal of promoting transparency and accountability in public finance compromised.

In this regard, the Committee agreed to amend the Regulation **Clause 25 (2)**, this by including in **sub-clause (2)** the following penalties:

- i. Penalties for Non-Compliance by Audited Entities*
- ii. Penalties for Misconduct by Public Officials*
- iii. Penalties for Auditors*
- iv. Public Disclosure of Non-Compliance*
- v. Legal Repercussions for Obstruction*
- vi. Failure to Implement Recommendations*
- vii. Failure to Report Financial Irregularities*
- viii. Civil Penalties.....con't...*

However, after the consultations with relevant stakeholders the Committee decided that the provisions of penalties in the Bill is sufficient enough to cater for the offences and the list of penalties that are proposed above should be incorporated in the regulation that will be formulated later. The incorporating of these penalties as a requirement under regulation, it would ensure to enhance the integrity and effectiveness of the auditing process, ensuring that all parties involved take their responsibilities seriously. These penalties will serve as deterrents against non-compliance and misconduct, promoting a culture of accountability and transparency in public financial management.

The Committee noted that it is necessary to capture these penalties in the regulation as a benchmark from some best practices from other jurisdictions. To name a few, such as the Tonga Public Audit Act 2007, Papua New Guinea Audit Act 1989, Australia Auditor General Act 1997, New Zealand Public Audit Act 2001 and the Vanuatu Expenditure Review and Audit Act 1998.

The Committee is also seeking clarifications from the Solicitor General's Office on Clause 25 (1), as to why the Minister always make regulations to prescribe matters and no other approval authority can exercise those powers. The Committee have

reservations on this provision as to why the Minister involved in the approval of regulations and it defeats the purpose of ensuring the independence of the Office of the Auditor General.

It is important to highlight that one of the aspects of the review and deliberation is the independence of the Office of the Auditor General, particularly on financial autonomy or how its annual budget is approved. The Committee considered the proposal and given that other relevant legislations, systems, and processes will also need to be reviewed if the financial autonomy is to be considered. This is something that Fiji's Supreme Audit Institution has lacked as reported in the last assessment made by the Public Expenditure and Financial Accountability Assessment Review Team.

The Committee extends its gratitude to all stakeholders who were involved, participated, and provided essential contribution to the consultation process undertaken on the Bill.

Gender Analysis

Gender is a critical dimension to parliamentary scrutiny. Under Standing Order 110 (2) where a committee conducts an activity listed in clause (1), the Committee shall ensure full consideration will be given to the principle of gender equality to ensure all matters are considered regarding the impact and benefit on both men and women equally.

The Committee considered the issue of equal opportunity for all citizens including women and men during the advertisement of its public notice which calls for public submission during the consultation process of the Bill.

The Committee is satisfied that the matters considered in this report will impact on both men and women equally in Fiji.

In fact, during the Committee consultations in the Western, Eastern, Central and Northern division, it was evident that both women and men will be affected by this Audit Bill.

Amendments to the Bill

Amendments to the Bill

The following section sets out the amendments which the Committee has agreed and the rationale behind its decision making. A revised copy of the Bill, which incorporates these changes, will be tabled alongside the report.

Amendment 1

Committee recommendation: To amend **Part 2** of the Bill by **rearranging the Clauses** and now read as,

- *“Clause 3 Auditor General – Moved, to be Clause 4*
- *Clause 4 Acting Auditor General– Moved, to be Clause 5*
- *Clause 5 Office of Auditor General– Moved, to be Clause 3*
- *Clause 6 Powers of the Auditor General– No Change*
- *Clause 7 Code of Ethics – Moved, to be Clause 9*
- *Clause 8 Delegation – Moved, to be Clause 7*
- *Clause 9 Protection from Liability – Moved, to be Clause 8”.*

The Committee concluded and resolved that an amendment should be made in Part 2 of the Bill and capture the revised Clauses as in the order that was proposed.

Part / Section / Clause of bill effected

Part 2 – Clause 3, Clause 4, Clause 5, Clause 7, Clause 8, and Clause 9

Proposed amendment – to amend Part 2,

- *“Clause 3 Auditor General – Moved, to be Clause 4*
- *Clause 4 Acting Auditor General– Moved, to be Clause 5*
- *Clause 5 Office of Auditor General– Moved, to be Clause 3*
- *Clause 6 Powers of the Auditor General– No Change*
- *Clause 7 Code of Ethics – Moved, to be Clause 9*
- *Clause 8 Delegation – Moved, to be Clause 7*
- *Clause 9 Protection from Liability – Moved, to be Clause 8”.*

Justification: The Committee agrees that for consistency purposes with the Fijian Constitution, it is appropriate to rearrange the clauses in Part 2.

Amendment 2

Committee recommendation: To amend Part 2 of the Bill to cover <i>Clause 3 to Clause 9</i> and <i>Part 3 to cover Clause 10 to Clause 20</i> and changes to be made on the table of contents and the body of the Bill.
The Committee concluded and resolved that an amendment should be made in Part 2 and Part 3 of the Bill and capture the amendments as in the order that was proposed above.
Part / Section / Clause of bill effected
<ul style="list-style-type: none">▪ Part 2 to include Clause 3, Clause 4, Clause 5, Clause 6, Clause 7, Clause 8, and Clause 9▪ Part 3 to include Clause 10, Clause 11, Clause 12, Clause 13, Clause 14, Clause 15, Clause 16, Clause 17, Clause 18, Clause 19 and Clause 20
Proposed amendment – To amend Part 2 of the Bill to cover <i>Clause 3 to Clause 9</i> and <i>Part 3 to cover Clause 10 to Clause 20</i> and changes to be made on the table of contents and in the body of the Bill.
Justification: The Committee agrees that for consistency purposes with the Fijian Constitution, it is appropriate to rearrange the clauses in Part 2.

Amendment 3

Committee recommendation: To amend by including <i>Clause 3(3), “The Auditor General shall not engage in any activity that conflicts with their duties and responsibilities, including the provision of non-audit services to any entity being audited”.</i>
The Committee concluded and resolved that an amendment should be made in Clause 3 to add in, <i>“Clause 3(3), “The Auditor General shall not engage in any activity that conflicts with their duties and responsibilities, including the provision of non-audit services to any entity being audited”.</i>
Part / Section / Clause of bill effected
Clause 3 (3)
Proposed amendment: Clause 3 should be amended by adding a sub-clause (3), the <i>“Clause 3(3), “The Auditor General shall not engage in any activity that conflicts with their duties</i>

and responsibilities, including the provision of non-audit services to any entity being audited”.

Justification: The Committee noted that it is necessary to add a sub-clause (3) so that the Office of the Auditor General only focuses on its core mandate which is audit work. Also, one of the reasons of this provision are the capacity and resources of the OAG to conduct non-audit services.

Also, this provision will bolster the independence of the OAG and its staff which would prevent conflicts of interest and establishes clear guidelines for the provision of non-audit services.

Amendment 4

Committee recommendation:

- i. The Committee agrees to amend **Clause 6 (1) (e)** by replacing the word “Attorney General” to *“Solicitor General”*, for independence purposes.
- ii. To amend **Clause 6 (4)** by adding a **sub-clause (d)**, *“The Auditor General shall employ appropriate technology and data analytics to improve audit outcomes and methodologies”*.

The Committee concluded and resolved that an amendment should be made in Clause as listed below,

- i. To amend **Clause 6 (1) (e)** by replacing the word “Attorney General” to *“Solicitor General”*, for independence purposes.
- ii. Clause 6 (4) by including a **sub-clause (d)**, *“The Auditor General shall employ appropriate technology and data analytics to improve audit outcomes and methodologies”*.

Part / Section / Clause of bill effected

Clause 6 (1) (e) and Clause 6 (4) (d)

Proposed amendment:

- i. The Committee agrees to amend **Clause 6 (1) (e)** by replacing the word “Attorney General” to *“Solicitor General”*, for independence purposes.

- ii. To amend **Clause 6 (4)** by adding a **sub-clause (d)**, *“The Auditor General shall employ appropriate technology and data analytics to improve audit outcomes and methodologies”*.

Justification:

- i. Given that the Attorney General is the legal advisor of the Government, the Committee recommends that the Solicitor General to replace the word Attorney General. The Committee noted that the provision in **Clause 6 (1) (f)** is an added power of the Auditor General.
- ii. While electronic access is essential, the transformative potential of technology and AI lies in their ability to automate processes, analyse data at scale, and produce actionable insights that go beyond simple record-keeping. Embracing technology and AI can transform the auditing process, enhancing efficiency, accuracy, and the ability to provide meaningful insights, thereby positioning the OAG to better serve the needs of the government and the public.
- The Committee noted that the new sub-clause (d) will empower the OAG to adopt technological advancements to enhance efficiency and effectiveness of audits. This including utilising data analytics, AI and other digital tools.

Amendment 5

Committee recommendation: To amend the **Title in Clause 11**, change the title, “Duties of the Auditor General” and renamed it to, *“Financial Audit”*.

Also amend **Clause 11 (3) (b)**, the Committee agreed by including, *“or letter”*, which reads, *“an audit management report or letter”*.

The Committee concluded and resolved that an amendment is necessary to be made on the **Title in Clause 11**, change the title, “Duties of the Auditor General” and renamed it to, *“Financial Audit”*.

Also amend **Clause 11 (3) (b)**, the Committee agreed by including, *“or letter”*, which reads, *“an audit management report or letter”*.

Part / Section / Clause of bill effected
Clause 11 and Clause 11 (3) (b)
<p>Proposed amendment – To amend the Title in Clause 11, changing the title, “Duties of the Auditor General” and renaming it to, <i>“Financial Audit”</i>.</p> <p>Also amend Clause 11 (3) (b), the Committee agreed by including, <i>“or letter”</i>, which reads, <i>“an audit management report or letter”</i>.</p>
<p><u>Justification:</u> The amendment is necessary as Clause 11 articulates the functions of the Auditor General on financial audits including the various accounts that it requires to audit with its reporting mandates.</p> <p>This new inclusion is necessary so that the provision is consistent with the OAG’s current practice in relation to the issuance of management letter to the audited entities for their responses.</p>

Amendment 6

Committee recommendation: In Clause 16 , the Committee agrees to amend the Title by replacing the word “ Secrecy ” with the word <i>“Confidentiality”</i> .
The Committee concluded and resolved to amend Clause 16 by amending the Title by replacing the word “ Secrecy ” with the word <i>“Confidentiality”</i> .
Part / Section / Clause of bill effected
Clause 16
<p>Proposed amendment – To amend the Title in Clause 16 by amending the Title and replacing the word “Secrecy” with the word <i>“Confidentiality”</i>.</p>
<p><u>Justification:</u> However, on that note, any provision that related to secrecy specifically, will come under the Title, “Confidentiality”. The Committee noted that the word “secrecy” has been phased out and the word “confidentiality” is currently being used in most legislations.</p>

Amendment 7

Committee recommendation: To amend Clause 17 (2) , by changing the word from “may” to “ <i>must</i> ”.
The Committee concluded and resolved to amend Clause 17 (2) by changing the word from “may” to “ <i>must</i> ”.
Part / Section / Clause of bill effected
Clause 17 (2)
Proposed amendment – To amend Clause 17 (2) by changing the word from “may” to “ <i>must</i> ”.
Justification: The Committee agreed to the usage of the word “ must ” so that it is mandatory for the Office of the Auditor General to report any serious irregularities identified during the time of the audit. This is for transparency and accountability purposes.

Amendment 8

Committee recommendation: To amend Clause 18 (1) by including the approval authority as provided in Clause 12 and the “ performance audits ”, which reads, and performance audit, which reads, “ <i>The Auditor General may, if requested by the Prime Minister, Minister or Parliament or the entity concerned, audit the accounts or financial statements or conduct performance audit of any entity (whether incorporated or otherwise) other than a public entity</i> ”.
The Committee concluded and resolved to amend Clause 18 (1) by including the approval authority as provided in Clause 12 and the “ performance audits ”, which reads, and performance audit, which reads, “ <i>The Auditor General may, if requested by the Prime Minister, Minister or Parliament or the entity concerned, audit the accounts or financial statements or conduct performance audit of any entity (whether incorporated or otherwise) other than a public entity</i> ”.
Part / Section / Clause of bill effected
Clause 18 (1)

Proposed amendment – To amend Clause 18 (1) by including the approval authority as provided in **Clause 12** and the “**performance audits**”, which reads, and performance audit, which reads, *“The Auditor General may, if requested by the Prime Minister, Minister or Parliament or the entity concerned, audit the accounts or financial statements or conduct performance audit of any entity (whether incorporated or otherwise) other than a public entity”*.

Justification: This provision is important as it covers the audit of other entities that receives Government grant, or if the entity’s borrowings have, in whole or in part been guaranteed by Government. The Committee noted that it is necessary to amend Clause 18 (1) and including the approval authority provided in Clause 12, for transparency and accountability purposes.

Amendment 9

Committee recommendation: To amend to amend **Clause 21 (2) (a) and (b)** to change the word from “may” changed it to *“must”*.

The Committee concluded and resolved to amend **Clause 21 (2) (a) and (b)** to change the word from “may” changing it to *“must”*.

Part / Section / Clause of bill effected

Clause 21 (2) (a) and (b)

Proposed amendment – To amend Clause 21 (2) (a) and (b) to change the word from “may” changing it to *“must”*.

Justification: The Committee noted that it is necessary to amend the word may to must, so that OAG’s reporting to Parliament is mandatory.

Amendment 10

Committee recommendation: To **amend Clause 22 (4)**, to change the word from “may” changed it to *“must”*.

The Committee concluded and resolved to amend **Clause 22 (4)**, to change the word from “may” changed it to *“must”*.

Part / Section / Clause of bill effected

Clause 22 (4)

Proposed amendment – To amend **Clause 22 (4)**, to change the word from “may” and changing it to “*must*”.

Justification: The Committee noted that it is necessary to amend the word may to must, so that OAG’s publication of reports is mandatory.

The Committee noted that it is necessary that the Bill should mandate comprehensive and transparent reporting by the Auditor General, including the requirements to present audit findings to Parliament and to make them publicly available and accessible.

Justification: The Committee agrees that by incorporating these penalties, the Bill can enhance the integrity and effectiveness of the auditing process, ensuring that all parties involved take their responsibilities seriously. These penalties will serve as deterrents against non-compliance and misconduct, promoting a culture of accountability and transparency in public financial management.

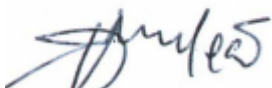
**SIGNATURES OF MEMBERS OF THE STANDING
COMMITTEE ON PUBLIC ACCOUNTS**



Hon. Esrom Y. Immanuel
(Chairperson)



Hon. Sakiusa Tubuna
(Deputy Chairperson)



Hon. Jovesa Vocea
(Member)



Hon. Alvick Maharaj
(Member)



Hon. Naisa Tuinaceva
(Member)

Annex A – Glossary of terms Used

AI	Artificial Intelligence
INTOSAI	International Organisation of Supreme Audit Institutions
OAG	Office of the Auditor General
PAC	Public Accounts Standing Committee
PASAI	Pacific Association of Supreme Audit Institutions
PEFA	Public Expenditure and Financial Accountability
SG	Solicitor General's Office
SO	Standing Orders

Annex B – Oral evidence received

The Committee took oral evidence on the following dates from the following stakeholders:

1. Solicitor General's Office
2. Office of the Auditor General
3. Councillors in Savusavu

Annex C – Written evidence received

The Committee received 7 written submissions from the following organisations:

1. Office of the Auditor General
2. University of the South Pacific
3. Fiji Institute of Chartered Accounts
4. Ministry of Finance
5. Fiji Revenue and Customs Services
6. Fiji Law Society
7. Pacific Association of Supreme Audit Institutions (PASAI)

Annex D – Public Notice Advertisements Calling for Public Submissions on the Audit Bill (Bill No. 17 of 2024)

Annex E - Copies of Written Submissions Received