



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR - GENERAL OF THE REPUBLIC OF FIJI

REMAINING 2024 AUDIT REPORT SOCIAL SERVICES SECTOR & ECONOMIC SERVICES SECTOR



PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO. 131 of 2025



OFFICE of the AUDITOR GENERAL
Republic of Fiji

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Auditing for Better Public Sector Performance and Accountability

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Serving the public interest through independent audit reporting that informs Parliament and impact continuous improvement in the performance and accountability of the public sector

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We deliver our mandate to the best of our abilities and to the highest standard of professional conduct by being ethical and transparent in all our collaborations.



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International Standards on Auditing

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Audit Act 2025

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File: 102

16 February 2026

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

Dear Sir

REMAINING 2024 AUDIT REPORT FOR SOCIAL SERVICES SECTOR AND ECONOMIC SERVICES SECTOR

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the Remaining 2024 Audit Report for Social Services Sector and Economic Services Sector.

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

Yours sincerely

A handwritten signature in blue ink that reads 'F. Seru'.

Finau Seru Nagera
AUDITOR-GENERAL



Encl.

The Office of the Auditor-General – Republic of Fiji

The Office of the Auditor-General is established as an independent Office by the Constitution of the Republic of Fiji and for the purpose of the Financial Management Act 2004. The Auditor General is the responsible authority for the Office of the Auditor General.

Section 11 of the Audit Act 2025 states that in addition to performing the functions under section 152 of the Constitution, the Auditor General has on behalf of Parliament, the following duties—

- (a) to audit for each financial year—
 - (i) the accounts of the Consolidated Fund; and
 - (ii) the whole of Government financial statements and annual appropriation statement required to be included in the whole of Government annual report for a financial year under the Financial Management Act 2004; and

- (b) to audit for each financial year—
 - (i) the accounts of all public entities that are required by law to produce such accounts and have them audited, except a public entity in respect of which another auditor has been appointed by or under this Act or another Act to carry out the audit of the public entity's accounts for that financial year; and
 - (ii) the financial statements and any non-financial performance report required to be audited and included in such a public entity's annual report for a financial year.

Section 21 of the Audit Act states that the Auditor-General's report to Parliament may include, in addition to matters specified in section 152(2) of the Constitution, a report on significant matters that the Auditor-General intends to bring to the attention of Parliament arising from the audits, any special investigation, or any review of audits, conducted by the Auditor-General in the preceding calendar year or financial year. This report satisfies these requirements.

The Office of the Auditor-General notes the impact of the Reports of the Auditor General to Parliament on public entities and the ordinary citizens and strives for accuracy and high-quality reporting.

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1.0 SECTOR SUMMARY

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

This report contains the summaries and analysis of the audit findings and high-level recommendations aimed at strengthening the financial reporting for the following agencies under the Social Services and Economic Services Sectors:

Head 21	Ministry of Education
Head 24	Ministry of Women, Children and Social Protection
Head 30	Ministry of Agriculture and Waterways
Head 33	Ministry of Lands and Mineral Resources

The results of the audits for the above agencies were not included in the initial reports submitted to Parliament in July 2025 under Parliamentary Papers Nos. 85 & 87 of 2025.

Results of Audits - Quality and Timeliness of Financial Statements

The audits resulted in the issuing of modified audit opinions for the Ministry of Women, Children and Social Protection, the Ministry of Agriculture and Waterways and the Ministry of Lands and Mineral Resources. The Ministry of Education was issued with an unmodified audit opinion.

The timeliness for the submission of the draft financial statements for the Ministry of Education and the Ministry of Lands and Mineral Resources were assessed as ineffective. The Ministry of Women, Children and Social Protection and the Ministry of Agriculture and Waterways submitted their draft financial statements for audit by the legislated due date.

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

2.0 AUDIT OPINION

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

Comparatively to the financial years 2022 and 2023, the outcome of the audits for the Ministry of Women, Children and Social Protection, the Ministry of Agriculture and Waterways and the Ministry of Lands and Mineral Resources had changed to modified audit opinions.

The Ministry of Education was issued with an unmodified audit opinion, consistent with the previous year. The results of the audits for the last three financial years are presented in the table below:

Head of Appropriation/Ministry	2024 Financial Year		2023 Financial Year	2022 Financial Year
	Date Audit Report Signed	Audit Opinion Type	Audit Opinion Type	Audit Opinion Type
21. Ministry of Education	01/08/2025	Unmodified	Unmodified	Unmodified
24. Ministry of Women, Children and Social Protection	28/07/2025	Modified-Qualified	Unmodified	Unmodified
30. Ministry of Agriculture and Waterways	14/08/2025	Modified - Qualified	Unmodified	Unmodified
33. Ministry of Lands and Mineral Resources	20/08/2025	Modified - Qualified	Unmodified	Unmodified

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

2.1 Types of Audit Opinion

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

Modified Opinions:

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

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

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

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

3.0 FINANCIAL REPORTING

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

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

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

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

3.1 Preparation of Draft Agency Financial Statements

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

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

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

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

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

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

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

3.2 Quality of Draft Financial Statements

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

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

Rating	Quality of draft financial statements assessment
● Effective	No adjustments were required
● Generally effective	Adjustments on total expenditure, operating results/net assets were less than 1%
● Ineffective	Adjustments on total expenditure, operating results/net assets were more than 1%

3.3 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
● Effective	Acceptable draft financial statements received on or before 31 October 2024
● Ineffective	Acceptable draft financial statements received after 31 October 2024

3.4 Timeliness of Management Comments and Signing of Financial Statements

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

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

3.5 Assessment Result Summary

The table below comparatively summarises our assessments of the financial statements preparing processes and timeliness of responses for the past three years.

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

Ministry or Department	Financial Statement Preparation									Responses to OAG					
	T			YE			Q			TMC			TSFS		
Financial Year	'24	'23	'22	'24	'23	'22	'24	'23	'22	'24	'23	'22	'24	'23	'22
Social Services Sector															
21. Ministry of Education	🔴	🟢	🟡	🟡	🟡	🟡	🔴	🟢	🟢	🔴	🔴	🔴	🔴	🟢	🔴
24. Ministry of Women, Children and Social Protection	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢	🟢	🟢	🟢	🟡	🟢	🔴	🟢
Economic Services Sector															
30. Ministry of Agriculture and Waterways	🟢	🟢	🟢	🔴	🟢	🟢	🔴	🔴	🟡	🔴	🔴	🟢	🔴	🟢	🟢
33. Ministry of Lands and Mineral Resource	🔴	🟢	🟢	🔴	🟡	🟡	🟡	🟢	🟢	🔴	🟢	🟢	🔴	🟢	🟢

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

T=Timeliness of draft financial statements

Q=Quality of draft financial statements

YE= Year-end close processes

MA=Monitoring activities

TMC= Timeliness of management comments provided

TSFS= Timeliness of Signed Audited financial statements

Head 21

Ministry of Education

Roles and Responsibilities

The Ministry of Education is responsible for the design, implementation, monitoring and evaluation of educational legislations, policies, and programs in Fiji. The Ministry provides the structures, human resources, budget, administrative and management support to ensure that the quality-of-service delivery is maintained at a high level. The Ministry is specifically tasked to conduct and deliver education services at early childhood education, primary and secondary education, special and vocational schools, vocational education and training programs, professional development and training for teachers and training of school managers and controlling authorities.

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PART A: FINANCIAL INFORMATION

21.1 Financial Information

AUDIT OPINION UNMODIFIED	TOTAL RECEIPTS \$1.68 MILLION	TOTAL EXPENDITURE \$500.46 MILLION
REVISED BUDGET \$501.51 MILLION	UNUTILISED BUDGET \$1.05 MILLION	

21.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Education resulted in an unmodified audit opinion. However, attention was drawn to the following:

The Operating Trust Fund account balance of \$1,757,062 for the year ended 31 July 2024, comprised of 81% carried forward balances from previous years.

In addition, the following other matter paragraphs were included:

1. The Ministry did not have in place written policies, procedures, and guidelines for monitoring of Grants to Government Schools.
2. The Ministry's internal audit raised internal control deficiencies in the use of free education grant for various schools which if not addressed promptly may result in material misstatements, fraud and possible financial losses in future.

21.3 Appropriation Statement

The Ministry incurred expenditures totalling \$500.46 million against a revised budget of \$501.51 million resulting in unutilised budget of \$1.05 million. A total of \$1.68 million in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 21.1.

Table 21.1: Head 21 - Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	366,939,759	4,536,490	371,476,249	371,475,582	667
2	Government Wage Earners	3,792,356	614,330	4,406,686	4,406,686	---
3	Travel & Communications	1,014,650	802,360	1,817,010	1,814,931	2,079
4	Maintenance & Operations	912,680	(37,269)	875,411	873,608	1,803
5	Purchase of Goods & Services	9,563,762	417,355	9,981,117	9,967,330	13,787
6	Operating Grants & Transfers	111,456,851	(4,243,146)	107,213,705	107,213,705	---
7	Special Expenditure	635,046	(76,221)	558,825	558,622	203
	Total Operating Expenditure	494,315,104	2,013,899	496,329,003	496,310,464	18,539
8	Capital Construction	6,678,000	(4,851,471)	1,826,529	1,414,018	412,511
9	Capital Purchase	702,048	---	702,048	509,650	192,398
10	Capital Grants & Transfers	743,450	---	743,450	741,045	2,405
	Total Capital Expenditure	8,123,498	(4,851,471)	3,272,027	2,664,713	607,314
13	Value Added Tax	2,926,041	(1,017,783)	1,908,258	1,485,241	423,017
	TOTAL	505,364,643	(3,855,355)	501,509,288	500,460,418	1,048,870

21.4 Appropriation Statement – Head 26

The Higher Education Institutions incurred expenditure totalling \$101.32 million in 2024 against a revised budget of \$103.32 million.

Details of expenditure against the revised budget are provided in Table 21.2.

Table 21.2: Head 26 - Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	103,327,812	---	103,327,812	101,327,812	2,000,000
	Total Operating Expenditure	103,327,812	---	103,327,812	101,327,812	2,000,000
10	Capital Grants & Transfers	---	---	---	---	---
	Total Capital Expenditure	---	---	---	---	---
	TOTAL	103,327,812	---	103,327,812	101,327,812	2,000,000

PART B: OTHER SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on other significant matters that the Auditor-General intends to bring to the attention of Parliament.

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2024.

21.5 Opening Balances for Operating Trust Fund Account - Recurring Issue

The ledger reconciliation statement shall be forwarded to the Principal Accounts Officer. The Principal Accounts Officer must ensure that:

- i. all balances are accurate and adequately supported.
- ii. any misallocations or outstanding balances from the previous month have been dealt with.¹

The closing balance for operating trust fund account as at 31 July 2024 was \$2,165,394. Review of the FMIS general ledger revealed that \$1,757,062 or 81% have been carried forward from previous years with minimal movement noted during the year. Refer to Table 21.3 below for details.

Table 21.3: Details of Carried Forward Balance

Allocation	Outstanding Balance (\$)		Movement (\$)
	31/7/2023	31/7/2024	
12110121999861920	1,757,062	2,160,950	403,888

Failure to promptly investigate and rectify the outstanding balances from prior years has resulted in the substantial balance for the operating trust fund account.

Recommendation

Long outstanding carried forward balances from previous years should be reviewed and appropriate actions taken by the Ministry to rectify these carried forward balances.

Agreed Management Action

Audit comment is noted. Ministry agreed that majority of the carried forward balance comes from FNPF. These was from the supervisors, casual staffs and attachés that worked without complete FNPF details. Ministry is trying to rectify these employees without FNPF details to be paid out to clear the balances. With the new financial management information system being implemented in the new financial year, the FNPF numbers are a mandatory field, the above issue will not be repeated.

¹ Ministry of Education, Finance Manual 2017, Section 16.3.6

21.6 Absence of Policies, Procedures and Guidelines for Free Education Grant for Government Schools - Recurring Issue

Policies and procedures are an essential part of any organization. Together, policies and procedures provide a roadmap for day-to-day operations.

The audit noted that documented guideline for Free Education Grant for Government Schools was still in draft form pending approval.

Certain Government Schools did not submit to the Ministry documents such as cash book and acquittals that would enable proper monitoring of the utilisation of the free education grants. Refer to Table 21.4 below for details.

Table 21.4: Details of Cash Book and Acquittals Not Submitted

School	Grant	Months cash book and acquittals were not submitted
Adi Cakobau School	Tuition	May-24, Jun-24, Jul-24
	Ration	Aug-23, May-24, Jun-24, Jul-24
Queen Victoria School	Tuition	Aug-23, Dec-23, Jan-24
	Ration	Jul-24
Ratu Kadavulevu School	Tuition	Mar-24
	Ration	Sept-23, Jan-24, Apr-24
Natabua High School	Ration	Apr-24
Bucalevu Secondary School	Tuition	Aug-23
Levuka Public School	Tuition	May-24, Jul-24
	Ration	Mar-24, Apr-24, May-24
Sila Central High School	Tuition	Sept-23, Nov-23, Dec-23, Jan-24, Jul-24
Vunisea Secondary School	Tuition	Jun-24, Jul-24
	Ration	Aug - Dec-23, Jan - Jul-24
Nasinu Secondary School	Ration	Sep -23

The absence of clear guidelines for the Management of schools contributed to the non-submission of acquittals by Government schools. This also indicated that the Ministry did not have a stringent monitoring process in place for the release of Free Education Grants to Government schools.

Recommendation

The Ministry should prioritise the finalisation and approval of the handbook for Free Education Grant Management for Government schools and ensure compliance with the requirements in the handbook including timely submission of acquittals.

Agreed Management Action

Audit comment is noted. The Ministry has drafted the School Management Handbook for Government Schools. However, the Ministry is awaiting the formalization and implementation of the review of the Procurement Regulations 2024 and the review of the Education Act 1966. Once these documents are reviewed, the necessary changes will be incorporated in the draft School Management Handbook for Government Schools and would be sent for consultation, approval and implementation.

Additionally, the Ministry agreed that certain Government schools failed to submit the bank reconciliation, cashbook and acquittals on time. Ministry has also conducted inhouse training for school bursars and finance officers to guide them on the importance of submitting monthly bank reconciliation and cashbook on time.

21.7 Procurement Anomalies at Government Schools - Recurring Issue

Immediately after payment has been effected, the cashier must stamp “paid” on all vouchers and supporting documentation to avoid any double payments.²

The audit of acquittals of Government Schools revealed that the payment vouchers and supporting documents were not stamped as “PAID”. Refer to **Appendix 21.1** for details.

This indicated that proper payment processes were not applied consistently, which can increase the risk of double and unauthorised payments.

Recommendation

The Ministry should ensure that Schools follow proper payment process and stamp all vouchers as “paid” after payment has been made.

Agreed Management Action

Audit comment is noted. Ministry agrees that Procurement processes are not properly followed. The Ministry did a finance refresher workshop to raise awareness to school Bursars and clerks the importance of maintaining proper procurement processes. By working together with internal auditor, Ministry will now monitor compliance with procurement regulation.

21.8 Salary Overpayments - Recurring Issue

Accounts Officer Salaries must immediately inform the salaries clerk and ensure that the resignation date is entered into the payroll and salary is terminated in time to avoid overpayment of salary.³

The audit of payroll revealed overpayments of salaries totalling \$431,228 for teachers that have resigned for the year ended 31 July 2024.

Teachers resigning without giving 30 days’ notice and non-timely cessation of salary has resulted in the salary overpayments.

Recommendations

The Ministry should:

- **ensure that notices of resignations are processed without delay to ensure timely cessation of salary payments.**
- **consider automating the exit and teacher replacement request process.**

Agreed Management Action

Audit recommendation is noted. Ministry agrees with the audit comment and agrees that the untimely cessation of salary due to late notification has resulted in the overpayment of salary. Ministry HR team will ensure that the automation of teacher exit and teacher replacement request is effective. The update is on hold until Ministry of Civil Service provides a confirmation on the update as it should be in line with the HRMIS System for Whole of Government. Notification of overpayment has been sent and follow-ups on the recovery are being done and releasing of any Official Document is on hold until overpayment is cleared.

² Ministry of Education, Finance Manual 2017, Section 2.8.9

³ Ministry of Education, Finance Manual 2017, Section 4.1.7

21.9 Absence of Risk Register - Recurring Issue

On a quarterly basis, each Ministry of Education, Heritage and Arts (MoEHA) Section/Unit/Sub-unit shall identify and list the potential risk factors that may hinder the achievement of its objectives.⁴

The audit noted that Sections/Units/Sub-units of the Ministry did not maintain risk registers to capture risks that have been identified for effective proactive mitigation.

In the absence of a risk register, the Ministry may not be able to take proactive actions to mitigate risks which could affect business operations.

Recommendation

The Ministry should consider developing and maintaining risk registers for proactive mitigation of risks that can severely impact operational matters.

Agreed Management Action

Audit comment is noted. Ministry did agree that there is no proper risk assessment carried out during the financial year. There is a Risk Management Policy 2015 that will be reviewed which will assist in the risk assessment by respective units of the Ministry. The review of this existing policy will strengthen the assessment of risk.

⁴ Ministry of Education, Risk Management Policy 2015, Section 6.1.1

PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

21.10 Preparation of Draft Agency Financial Statements

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

Key Focus Areas	Achievement	Key Focus Areas	Achievement
Cancellation of unprocessed purchase orders by 08 July 2024	✓	Closing date for journal adjustments by 15 August 2024	✗
Retirement of Imprest by 10 July 2024	✓	Processing of virements by 16 August 2024	✓
Processing of payments by 24 July 2024	✓	Submission of arrears of revenue return by 23 August 2024	✓
Clearance of Inter-departmental clearance accounts by 02 August 2024	✓	Completion of reconciliations by 26 August 2024	✓

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

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

21.11 Quality of Draft Financial Statements

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

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

21.12 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
☠ Ineffective	Acceptable draft financial statements received after 31 October 2024

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

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

Accordingly, we have assessed timeliness as:

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

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

APPENDIX 21.1: Details of Procurement Anomalies in Government Schools

School Code	Date	Chq/EFT No.	Amount (\$)
Payment vouchers and supporting documents not stamped 'PAID'			
1825	03/08/2023	4068	4,674.00
	06/12/2023	3106	4,075.20
	10/10/2024	4257	3,636.00
	18/12/2023	4247	3,500.00
	24/11/2023	4195	3,500.00
	24/08/2023	4087	2,850.00
	11/12/2023	4229	2,665.47
	30/11/2023	4213	1,999.00
	12/10/2023	3053	1,986.50
	18/03/2024	4351	1,905.00
	22/02/2024	3165	1,890.80
	08/04/2024	3209	1,027.09
1215	12/12/2023	2151	3,226.45
	02/11/2024	2125	2,930.18
	27/11/2023	2856	1,419.00
	12/01/2023	2893	1,366.00
	18/10/2023	2820	1,120.00
	19/04/2024	3028	1,629.00
	12/04/2024	---	2,289.80
2325	05/09/2023	2172	5,000.00
	07/03/2024	2267	4,500.00
	21/08/2023	2168	3,500.00
	01/11/2023	2202	2,400.00
	04/10/2023	2185	1,499.00
	25/01/2024	2235	1,147.90
	08/02/2024	2245	1,072.95
1638	14/03/2024	003650	55,363.75
	03/07/2024	3742	17,723.34
	05/12/2023	003590	6,800.00
	29/09/2023	1918	4,962.00
	17/08/2023	1907	4,953.00
	21/11/2023	1955	4,900.00
	21/11/2023	003568	4,800.00
	21/02/2024	003625	4,500.00
	19/10/2023	1932	4,450.79
	01/08/2023	003457	3,964.00
	23/10/2024	003542	3,467.84
	15/09/2023	003515	2,400.00
	24/06/2024	003731	2,345.00
	13/12/2023	1967	1,381.75
2392	07/12/2023	003826	50,934.65
	23/11/2023	00889	23,227.00
	03/07/2024	000923	16,507.00
	31/08/2023	000861	4,958.00
	04/07/2024	003729	4,204.76
	02/11/2023	603483	4,200.00
	09/11/2023	003494	3,577.81
	02/11/2023	003484	3,081.95
	11/03/2024	000898	2,088.48
1057	03/11/2023	0594	19,497.50
	09/08/2023	3592	16,792.00
	29/09/2023	0583	16,729.25
	27/10/2023	0589	15,724.17

School Code	Date	Chq/EFT No.	Amount (\$)
Payment vouchers and supporting documents not stamped 'PAID'			
	03/08/2023	3591	12,500.00
	20/12/2023	0606	8,424.62
	05/12/2023	3710	5,962.05
	05/06/2024	3862	5,293.85
	05/03/2024	3764	5,011.36
	23/08/2023	3623	4,745.00
	18/12/2023	3706	4,694.00
	23/05/2024	3840	4,000.00
	02/11/2023	3669	3,250.00
	14/08/2024	0629	3,138.30
1056	12/10/2023	2269	5,669.00
	12/10/2023	2270	5,669.00
	05/06/2024	2382	1,764.00
	14/05/2024	2352	1,695.00
	22/11/2023	2283	1,435.00
	08/02/2024	2299	1,354.56
	24/04/2024	2344	920.00
2538	22/11/2023	2116	4,956.00
	09/06/2024	2373	4,580.94
	14/10/2023	2174	4,239.30
	31/01/2024	3114	3,950.00
	20.10.2023	3013	2,788.68
	14/11/2023	2172	2,599.00
	19/09/2023	2974	2,375.00
	07/06/2024	3221	2,369.62
	29/09/2023	2991	1,611.60
	02/07/2024	3243	1,325.95
	20/10/2023	3006	1,266.05
	29/05/2024	2354	1,107.00
	20/10/2023	3012	1,000.00
2541	22/05/2024	001376	12,932.50
	22/05/2024	0013173	12,323.80
	23/02/2024	001340	6,460.00
	15/09/2023	002170	6,377.65
	22/05/2024	001378	6,084.94
	29/12/2023	002240	5,995.00
	22/02/2024	001334	5,773.23
	29/12/2023	002237	5,525.59
	26/02/2024	002256	5,120.00
	11/09/2023	002181	4,800.00
	29/04/2024	002287	4,450.67
	23/02/2024	002246	2,505.00
	14/12/2023	0022234	2,462.20
	06/09/2023	002180	2,025.00
2560	22/08/2023	1832	4,991.00
	14/02/2024	2132	4,884.00
	09/05/2024	2192	4,881.00
	17/04/2024	2174	4,305.00
	22/02/2024	2138	4,250.00
	30/04/2024	2186	3,837.65
	09/05/2024	2189	3,467.97
	27/03/2024	2164	2,800.00
	01/02/2024	2128	2,150.00
	13/03/2024	2158	2,030.48
1310	01/12/2023	1220	5,900.00

School Code	Date	Chq/EFT No.	Amount (\$)
Payment vouchers and supporting documents not stamped 'PAID'			
	26/04/2024	1267	3,574.00
	11/01/2024	1229	3,348.94
	15/12/2023	1225	1,503.51

Head 24**Ministry of Women, Children and Social Protection****Roles and Responsibilities**

The Ministry of Women, Children and Social Protection oversees national policies and programmes that create an inclusive social safety net for Fiji's most vulnerable groups and ensure they are cared for, empowered and included in our ongoing national prosperity.

The Ministry is responsible for providing services and administering programmes that protect and serve the most vulnerable and contributes to the country's poverty alleviation strategy and programmes, working to reduce poverty in Fiji. The Ministry's core work provides critical support to the most disadvantaged groups, with programmes that consider gender, disability, children, older persons and their social and economic circumstances and needs. The Ministry has authority over the Department of Social Welfare, Department of Women and the Poverty Monitoring Unit.

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PART A: FINANCIAL INFORMATION

24.1 Financial Information

AUDIT OPINION MODIFIED	TOTAL RECEIPTS \$32,967	TOTAL EXPENDITURE \$190.42 MILLION
REVISED BUDGET \$199 MILLION	UNUTILISED BUDGET \$8.58 MILLION	

24.2 Audit Opinion

The audit of the 2024 financial statements for the Ministry of Women, Children and Social Protection resulted in a modified audit opinion. The qualification issue was:

The Ministry was unable to provide payment vouchers with the necessary supporting documentation for payments amounting to \$3,119,090. These expenditures relate to the Bus Fare Programme \$2,600,000, Allowance for Disability \$479,440, and Food Allowance for Rural Pregnant Mothers \$39,650. These amounts are reflected under Operating Grants and Transfers in the Statement of Receipts and Expenditure. Due to the absence of adequate supporting documentation, audit was unable to obtain sufficient appropriate audit evidence to verify the accuracy and completeness of these expenditures.

In addition, the attention was drawn to the following:

- The Appropriation Statement indicated that Capital Construction allocation had an unutilised budget of \$834,116 or 67% of the revised budget for the year ended 31 July 2024.
- The Ministry did not maintain a comprehensive list of recipients of benefits under the Social Protection Programmes and a database of recipients' detailed information.

24.3 Appropriation Statement

The Ministry incurred expenditures totalling \$190.42 million against a revised budget of \$199 million resulting in unutilised budget of \$8.58 million or 4%. A total of \$32,967 in revenue was collected by the Ministry.

Details of expenditure against the revised budget are provided in Table 24.1.

Table 24.1: Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	8,595,692	(197,097)	8,398,595	7,829,382	569,213
2	Government Wage Earners	1,999,777	197,097	2,196,874	2,121,049	75,825
3	Travel & Communication	492,000	121,985	613,985	564,490	49,495
4	Maintenance & Operations	1,242,000	84,397	1,326,397	1,188,906	137,491
5	Purchase of Goods & Services	5,687,894	(181,382)	5,506,512	4,745,324	761,188
6	Operating Grants	173,424,512	(217,174)	173,207,338	171,156,798	2,050,540

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	& Transfers					
7	Special Expenditure	4,670,000	(20,000)	4,650,000	1,644,152	3,005,848
	Total Operating Expenditure	196,111,875	(212,174)	195,899,701	189,250,101	6,649,600
8	Capital Construction	1,710,801	(471,827)	1,238,974	404,858	834,116
9	Capital Purchase	10,000	---	10,000	10,000	---
10	Capital Grants & Transfers	550,000	(426,000)	124,000	79,000	45,000
	Total Capital Expenditure	2,270,801	(897,827)	1,372,974	493,858	879,116
13	Value Added Tax	1,801,930	(73,774)	1,728,156	676,589	1,051,567
	TOTAL	200,184,606	(1,183,775)	199,000,831	190,420,548	8,580,283

The reasons for significant unutilised budget for the financial year were as follows:

- The digitalisation for both Social Welfare Management Information System and the Integrated Beneficiary Management Information System were still in progress and hence budgeted funds for SEG 7 were unutilised.
- The late identification of relocation site and approvals for refurbishment of the Ba Mission Hospital resulted in unutilised budget in SEG 8.
- Construction of Barefoot College had unutilised budget due to changes in variation and extended time for completion of the project to next financial year.

PART B: OTHER SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on other significant matters that the Auditor-General intends to bring to the attention of Parliament arising from the audits.

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2024.

24.4 Non-provision of Records

The Senior Accounts Officer is responsible for the safekeeping and proper maintenance of all accounting records or documents.⁵

Payment vouchers with the supporting documents worth \$3,119,090 were not provided for audit verification. Refer to Table 24.2 for details.

Table 24.2: Details of payment vouchers not provided

Date	Allocation ID	Program	Payment ID	Amount (\$)
01/12/23	12420291011060201	Bus Fare	53987	1,000,000
01/03/24	12420291011060201	Bus Fare	55441	800,000
29/04/24	12420291011060201	Bus Fare	56453	800,000
23/11/23	12420291011060311	Rural Pregnant Mothers	53715	39,650
04/08/23	12420291011069904	Disability Allowance	9	479,440
TOTAL				3,119,090

In the absence of payment and journal vouchers, the audit was not able to establish the accuracy and completeness of these transactions.

Recommendations

The Ministry should:

- **strengthen its records management practices to ensure that documents are securely maintained.**
- **maintain records of documents dispatched from the Ministry.**

Agreed Management Comments

Recommendations well received. The majority of the missing vouchers cannot be confirmed as having been requested or dispatched to FICAC for investigation, as there is no documented evidence available to support this. Going forward, measures will be taken to improve documentation and ensure that records are properly maintained for tracking and audit purposes.

⁵ Ministry of Women, Children & Poverty Alleviation Finance Manual 2013 – Section 19.2.1

24.5 Unutilised Budget for Capital Construction Expenditure

Each year the Appropriation Act and the Budget Estimates sets out details of the appropriations that Cabinet approves for spending by each agency.⁶

The Appropriation Statement of the Ministry indicated that the total Capital Construction Expenditure had unutilised budget of \$834,116 or 67% of the revised budget for the year ended 31 July 2024.

Underutilisation of capital construction expenditure budget indicated that the planned capital works were not properly executed.

Recommendation

The Ministry should ensure that capital projects are well coordinated so that capital budget is utilised as intended.

Agreed Management Comments

Barefoot College Project

The delay in the commencement and progress of construction works for the Barefoot College project was primarily due to the slow performance of the contracted construction company. This issue was further compounded by procedural delays within the Procurement Office, which affected the timely issuance of necessary approvals and documentation. The combination of these factors significantly impacted the project's timeline. Steps are now being taken to strengthen coordination between project stakeholders and the Procurement Office to avoid similar setbacks in future initiatives.

Refurbishment of Ba Mission Site

For the refurbishment of the Ba Mission site, the initial plan was to utilize the premises owned by the Methodist Church. However, tenancy arrangements had not been formally secured prior to the submission of the project budget. As a result, the Ministry was required to revisit the proposal and explore alternative locations for the project. This caused delays in implementation. The experience highlights the importance of securing agreements with property owners in advance of budget submissions to ensure smoother planning and execution.

24.6 Detailed Listing of Recipients on Social Protection Program Not Maintained – Recurring Issue

Each agency must have in place a cost-effective system of internal controls which –

- a) safeguards money and property against loss;
- b) avoids or detects accounting errors; and
- c) avoids unfavourable audit reports.⁷

The Ministry paid 146,801 (2023: 153,939) recipients a total of \$169.3 million (2023: \$137.3 million) as at 31 July 2024, under the Social Protection Program/Scheme.

The audit noted that the Ministry did not maintain a complete list of individual recipients with details such as names, date of application and approval, date of birth, residential address, mode of payment, tax identification number (TIN), bank details, and the number of years the recipients have benefited from the scheme. Refer to Table 24.3 below for details:

⁶ Ministry of Social Welfare, Women & Poverty Alleviation Finance Manual 2013, Section 2.1.2

⁷ Finance Instruction 2010, Section 59(1)

Table 24.3: Payments made under the Social Protection Programs

Social Protection Program/ Scheme	FMIS/GL Amount 31/7/24 (\$)	No. of Recipients for July 2024 ⁸
Social Pension Scheme	79,041,900	52,394
Family Assistance Scheme	44,722,000	23,705
Bus Fare Program	9,760,200	47,596
Child Protection Allowance	19,225,051	11,079
Allowance For Person with Disability	15,725,222	11,613
Food Voucher Program-Rural Pregnant Mothers	800,000	414
TOTAL	169,274,373	146,801

In the absence of list of recipients and detailed information, there is potential risk of duplicate and unauthorised payments.

Recommendation

The Ministry should maintain updated listings with detailed information of recipients under the respective social protection program/scheme.

Agreed Management Comments

As part of the Social Assistance Reform Project, the Department had achieved 65% digitization of data under the Interim Solution by December 2024. This digitized data includes the Recipient Listings for all programs and features additional verification fields beyond the current Mode of Payment system. These fields include Tax

Identification Number, Birth Registration Number, Date of Birth, Address, Contact Information, and other data points to support improved analysis and verification.

The digitisation work continued in early 2025, and by March, the completion rate had reached 80%. At this stage, the focus shifted to collecting missing information needed to complete the digitization process.

The digitised data is now being updated into the SPMIS using the “Program Master List” format, which organises information by district and division. The completion of the digitization project that includes finding missing files & fields by the divisional offices, data entry of missing records and validation of the records to get a 100% match with payout list is targeted for September 2025. Following this, the roll out of the SPMIS, 8 weeks training, testing of payments module with all records and approval to transition to system generated pay out.

24.7 Absence of Digitalisation process for Social Protection Schemes Payments – Recurring Issue

With the high volume of transactions under the Social Protection Program, the processes around payments of assistance are not fully automated.

The audit noted that the Ministry does not have a digitalised system for processing payments under the Social Protection Programs. For the financial year ending 31 July 2024, the Ministry paid out a total of \$169.3 million (2023: \$137.3 million) to over 146,000 (2023: 150,000) recipients under the Social Protection Programmes.

In the absence of a digitalised system for processing high volume of transactions with huge sum of monthly payments, there is potential risk of incorrect and unauthorised payments and loss of

⁸ Numbers obtained from Bank Payout Details for the month of July 2024

information/data. Reliable real-time reports for management reporting and decision making will not be generated.

Recommendation

The Ministry should consider moving towards digitalisation of processing of social protection program including payments of assistance that could address some of the on-going issues for information stored in large volumes of case files.

Agreed Management Comments

In 2023, following an extensive consultation with a wide range of stakeholders, finalized a comprehensive review of Fiji's social assistance system that was approved by Cabinet and provided the MWCSPP with recommendations for key operational and policy reforms to strengthen the efficiency and effectiveness of the social assistance system. One of the core recommendations was the need to design and implement an integrated Beneficiary Management System (iBMS) to strengthen the end-to-end delivery of Fiji's social assistance schemes.

At the same time, the technical review identified that a more immediate gap was in the areas of data management, the digitisation of beneficiary data and the strengthening of payment processes, which all needed priority attention. Therefore, in 2024, as a first step the priority for the Ministry was to develop an interim IT solution, in partnership with the P4SP program. This interim IT solution, Social Protection Management Information System (SPMIS) has been built, tested and the MWCSPP team are diligently working on the digitalization exercise that will allow the interim system to be used to automate important parts of the delivery cycle and support MWCSPP staff in their administration of the social assistance schemes until the comprehensive iBMS, which will support the strategic integration and automation of the entire end-to-end delivery process.

The Social Protection Reform Team continues to work diligently with relevant stakeholders to ensure that project timelines are met. The full transition to a digitized system is being carried out in phases.

The first phase involved transferring manual records from districts officers into Excel spreadsheets. This was completed by mid-March. During this stage, it was identified that some files were missing. The DSW team is currently engaging with clients to retrieve the necessary documentation.

The second phase involves uploading the compiled records into an interim digital solution. However, this phase has experienced delays as the team is working to accurately match data from the districts with exiting payment information, validating records against the BDM records via integration and updating the records as missing files and information is received from the district offices. This will be followed by the implementation of the interim solution with training and roll out of the system.

The third and final phase is the development of a fully digitized end-to-end system that will streamline operations and improve service deliver. This being built on top of the SPMIS and is currently under development by P4SP software developers in line with MWCSPP's defined requirements.

Originally, the iBMS was scheduled for completion by the end of September. Due to the unforeseen delays, the revised target for building the integrated beneficiary management information system is now set for the end of December 2025. The team remains committed to achieving this goal and in ensuring a smooth transition to the new system by April 2026.

24.8 Variance in the Social Protection Programme Allocation – Recurring Issue

Section 59(1) of Finance Instructions 2010 states that each agency must have in place a cost-effective system of internal controls which safeguards money and property against loss, avoids or detects accounting errors, and avoids unfavourable audit reports. It is imperative that the various social welfare scheme payments made reconciles to its general ledger balance.

Audit noted variances in balances between the payment records on various disbursement methods against the general ledger balances of each scheme under the Operating Grants and Transfers Allocation. Refer to Table 24.4 below for details.

Table 24.4: Variance in Social Protection Program against General Ledger

Disbursements	Family Assistance Scheme (\$)	Social Pension Scheme (\$)	Disability Allowance Scheme (\$)	Child Protection Allowance (\$)
Bank Payments (SPP Listing)	34,781,886	67,466,626	12,484,532	14,670,315
MPAISA (SPP Listing)	280,565	306,940	249,482	188,691
MY CASH (SPP Listing)	1,958	2,035	2,101	1,440
Total as per SPP listings (Y)	35,064,409	67,775,601	12,736,115	14,860,446
Total as per FMIS GL (X)	44,722,000	79,041,900	15,725,222	19,225,051
Variance (X-Y)	9,657,591	11,266,299	2,989,107	4,364,605

The reconciliations between the Social Welfare payout records and the balances in the FMIS General Ledger were not performed as it is currently not a requirement of the Finance Manual.

Recommendation

The Ministry should include in its Finance Manual the requirement to perform monthly reconciliation of Social Welfare pay-outs against the FMIS General Ledger.

Agreed Management Comments

The policy was placed on hold due to changes in responsibilities and processes within the Social Protection Programme. A transitional phase began in August 2024, which included staff training, with full handover of responsibilities completed by November 2024. In December 2024, the new SPP bank payout process was implemented, clearly defining the roles of the Headquarters (HQ), Family Services Unit (FSU), and the Disbursement Unit. As a result, it is necessary to review and identify any further changes during the current financial year before finalizing and amending the draft policy for endorsement. The reconciliation of SPP bank payouts against the FMIS General Ledger was completed and signed. Additionally, district Clerical Officers (COs) were required to prepare a reconciliation of detailed payout listings, matching their respective SPP district payout lists with the approved case files maintained at the district level. During FSU-led workshops, COs received training on how to use the reconciliation format for bank payout listings.

The upcoming Social Protection Management Information System (SPMIS) is expected to streamline this process by allowing full integration of bank payout listings with recipient case files, ensuring greater accuracy and transparency in reconciliation.

PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

24.9 Preparation of Draft Agency Financial Statements

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

Key Focus Areas	Achievement	Key Focus Areas	Achievement
Cancellation of unprocessed purchase orders by 08 July 2024	✓	Closing date for journal adjustments by 15 August 2024	✓
Retirement of Imprest by 10 July 2024	✓	Processing of virements by 16 August 2024	✓
Processing of payments by 24 July 2024	✓	Submission of arrears of revenue return by 23 August 2024	N/A
Clearance of Inter-departmental clearance accounts by 02 August 2024	✓	Completion of reconciliations by 26 August 2024	✓

Based on information received, we have assessed the Ministry's 2024 year-end close process as:

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

24.10 Quality of Draft Financial Statements by entities

We assessed the quality of financial statements by the impact these adjustments had on the operating results. Our assessment for the Ministry of Women, Children and Social Protection was:

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

24.11 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
● Effective	Acceptable draft financial statements received before 31 October 2024

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

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

Accordingly, we have assessed timeliness as:

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

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

Head 30 Ministry of Agriculture and Waterways

Roles and Responsibilities

The Ministry of Agriculture ensures food and income security and sustainable livelihood for all Fijians, focusing on building community resilience. The emphasis of the Ministry is towards growing the sector through enhancement of Commercial Agriculture whilst achieving sustainable food security through extensive agriculture services. The Ministry also has a larger scope and national mandate of dredging rivers and clearing drains. The Ministry works with stakeholders on the construction of nature-based seawalls and riverbank protection through the establishment of Drainage Boards in all four Divisions.

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PART A: FINANCIAL INFORMATION

30.1 Financial Information

AUDIT OPINION MODIFIED	TOTAL RECEIPTS \$526,083	TOTAL EXPENDITURE \$79.03 MILLION
REVISED BUDGET \$85.73 MILLION	UNUTILISED BUDGET \$6.70 MILLION	

30.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Agriculture and Waterways resulted in a modified audit opinion based on the following qualification:

The Ministry did not conduct an annual board of survey for the Department of Waterways and other Agriculture Stations to verify the existence and condition of assets recorded in the Assets Register contrary to Section 49 of the Finance Instructions 2010.

In addition, attention was drawn to the following matters:

- 1 The note to the financial statements discloses a consolidation of the two (2) Trading and Manufacturing Accounts (TMA). The change in the format of the presentation has resulted in the limited information being disclosed in the financial statements for each type of TMA in terms of its performance and cash flows.
- 2 The Capital Construction expenditure balance of \$20,720,651, as reported in the Statement of Receipts and Expenditure as at 31 July 2024, differed from the FMIS general ledger balance of \$19,654,196. The variance resulted from an error in the FMIS which the Ministry of Finance will rectify.

The Ministry not having in place appropriate policy for risk management was included as other matter.

30.3 Appropriation Statement

The Ministry incurred expenditures totalling \$79.03 million against a revised budget of \$85.73 million resulting in unutilised budget of \$6.70 million or 8%. A total of \$526,083 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 30.1.

Table 30.1: Head 30 – Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	15,307,947	(104,250)	15,203,697	14,659,469	544,228
2	Government Wage Earners	4,895,883	104,250	5,000,133	4,727,267	272,866
3	Travel &	821,000	177,382	998,382	994,562	3,820

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Communications					
4	Maintenance & Operations	2,223,900	(109,721)	2,114,179	2,008,483	105,696
5	Purchase of Goods & Services	939,108	(14,888)	924,220	868,101	56,119
6	Operating Grants & Transfers	4,951,203	(28,000)	4,923,203	4,873,630	49,573
7	Special Expenditures	2,300,000	(24,773)	2,275,227	1,691,607	583,620
	Total Operating Expenditure	31,439,041	---	31,439,041	29,823,119	1,615,922
8	Capital Construction	32,861,609	(8,823,321)	24,038,288	20,720,651	3,317,637
9	Capital Purchase	3,090,000	---	3,090,000	2,770,093	319,907
10	Capital Grants & Transfers	21,500,000	584,186	22,084,186	21,625,977	458,209
	Total Capital Expenditure	57,451,609	(8,239,135)	49,212,474	45,116,721	4,095,753
13	Value Added Tax	6,260,402	(1,180,000)	5,080,402	4,089,585	990,817
	TOTAL	95,151,052	(9,419,135)	85,731,917	79,029,425	6,702,492

The unutilised budget resulted mainly from the following:

- High number of positions that remained vacant at year end.
- There was delay in the tender process for the procurement of IT equipment.
- Delay in implementation of programs as there were delays in the supply of raw materials from the suppliers.

30.4 Trading and Manufacturing Account (TMA)

The TMA records all transaction relating to livestock, fuel and oil. The services of the TMA are provided through livestock extension offices, veterinary clinics, research stations and fuel and oil are provided through the crop extension offices.

The service included the provision of recommended livestock genetic material, fencing material, tools, provision of veterinary services and advice to livestock stakeholders. It is also being utilised in emergency situations to destock and relocate animals to address animal welfare concerns during and after disasters.

The TMA is a revolving fund with a yearly cap of \$200,000 (\$120,000 for livestock operations and \$80,000 for crop extension fuel and oil).

The detailed statements for the TMA are provided below.

Table 30.2: Consolidated Trading Account – Commercial Undertaking

Description	31 July 2024 (\$)	31 July 2023 (\$)
Sales	426,697	446,169
Opening Stock	406,100	463,150
Add: Purchases	463,498	324,513
Goods Available for Sale	869,598	787,663
Less: Closing Stock	(420,605)	(406,100)
Cost of Goods Sold	448,993	381,563
Gross (Loss)/Profit	(22,296)	64,606

Table 30.3: Consolidated Profit and Loss Account – Commercial Undertaking

Description	31 July 2024 (\$)	31 July 2023 (\$)
Income		
Gross (Loss)/Profit Transferred from Trading Account	(22,296)	64,606
Total (Loss)/Income	(22,296)	64,606
Expenses		
Travelling & Communication Expenses	5,646	18,805
Maintenance and Operation	53,013	67,784
Purchase of goods & services	39,166	25,185
Total Expenses	97,825	111,774
Net Loss	(120,121)	(47,168)

Table 30.4: Consolidated Balance Sheet – Commercial Undertaking

Description	31 July 2024 (\$)	31 July 2023 (\$)
Equity		
TMA Surplus		
Opening balance	(1,024,333)	(889,010)
Remittance	---	(135,323)
Closing Balance	(1,024,333)	(1,024,333)
TMA Accumulated Surplus		
Opening balance	1,593,994	1,641,162
Net Loss	(120,121)	(47,168)
Write off deposit & retention	(740)	---
Closing Balance	1,473,133	1,593,994
Total Equity	448,800	569,661
Assets		
Cash at Bank	28,195	162,822
Accounts Receivable	---	739
Inventory	420,605	406,100
Total Assets	448,800	569,661
Liabilities		
Total Liabilities	---	---
Net Assets	448,800	569,661

The Ministry reduced the operating activities of the TMA, as there were plans at government level to close the operation of the TMA.

30.5 Main Trust Fund Account

Trust money is to be accounted for separately from public money and other money and kept in a separate bank account pending its withdrawal for use.⁹

The Ministry maintains the Water Retention Trust Fund Account which includes deposit and payments of retention monies for Waterways capital projects which are under contracts.

The Ministry collected trust fund revenue totalling \$174,512 in 2024 and incurred expenditure totalling \$139,566 resulting in a surplus of \$34,946 compared to a deficit of \$38,829 recorded in 2023.

The details of Water Retention Trust Fund Statement of Receipts & Payments for the year ending 31 July 2024 are provided in Table 30.5 below.

Table 30.5: Details of Water Retention Trust Fund Statement of Receipts & Payments

Description	31 July 2024 (\$)	31 July 2023 (\$)
RECEIPTS		
Retention Deposits	174,512	210,045
Total Receipts	174,512	210,045
PAYMENTS		
Retention Payments	139,566	248,874
Total Payments	139,566	248,874
Net Surplus/(Deficit)	34,946	(38,829)
Add Balance as at 1 August	232,493	271,322
Closing Balance as at 31st July	267,439	232,493

⁹ *Financial Management Act 2004 - Section 25 (1) & (2)*

PART B: OTHER SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on significant matters which the Auditor-General wishes to bring to the attention of Parliament.

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

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

It is important to note that the issues detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2024.

30.6 Absence of board of survey and Fixed Assets Register not updated

An annual board of survey must be conducted each year to verify the existence and condition of assets recorded on the asset register provided that, for agencies that have, in the opinion of the Permanent Secretary, a large asset base, the board of survey to be conducted on a cyclical basis so that all assets are checked every three years.¹⁰

All property, plant and equipment (PPE) acquired with a cost in excess of \$2,000, shall be recorded in the assets module of the Financial Management Information System (FMIS) or a fixed assets register for those without the FMIS.¹¹ All agencies must maintain a Fixed Asset Register (FAR) until the asset module of the financial management information system is implemented. Details to be recorded in the asset register should include, at a minimum the descriptions such as the cost or fair value, date of acquisition (where known), the make, model and identification number, and the location.¹²

The following were noted from the audit of property, plant and equipment:

- There were no annual board of surveys conducted for the Department of Waterways and on 60 of the 75 Agriculture stations.
- From the sample of transactions verified during the audit, PPE that were procured with costs totalling \$733,940 were not recorded in the Fixed Assets Register (FAR).
- The FAR was not updated with required information such as the serial number, model, description and location.

The above findings indicated inadequate system of controls in the management of PPE. This increases the risk of loss and theft of assets without being detected in a timely manner.

As a result, the audit could not fully substantiate the completeness and accuracy of the Loss of Assets recorded in the Statement of Losses.

¹⁰ Ministry of Finance Instructions 2010, Section 49 (1-3)

¹¹ Ministry of Finance Instructions 2010, Section 46 (1)

¹² Ministry of Finance Instructions 2010, Section 46 (2)

Recommendations

The Ministry should:

- **strengthen and improve supervision of the management of fixed assets to include mandatory quarterly checks for all fixed assets purchases with stations registers and master copy register.**
- **ensure that items valued above \$2,000 are recorded in the FAR and the register is up to date.**
- **ensure that board of survey is carried out for all the Department/Sections within the Ministry.**

Ministry's Comments

The audit comment is noted.

There was no proper record of Waterways BOS being conducted when they merged with Agriculture, however BOS activities are included in our business plan with the other stations for geographical joined BOS.

Way Forward

- The team is preparing all logistics for a joint board of survey inspection for North and Eastern Offices. This should be completed by 30.04.2025.*
- Central Division BOS will be submitted on Friday (28.02.25) for onward submission to Min of Finance.*
- Western Division Stations BOS appointment letter has been released, and we are awaiting their feedback/report.*
- Developing an Asset Management Policy is in discussion stage for preparation of draft and implementation before the end of the year.*

30.7 Non-compliance to TMA financial reporting requirements

Each agency must include a profit and loss statement and a statement of assets and liabilities for each Trading and Manufacturing activity in their annual financial statements.¹³

It is imperative that the Ministry makes adequate disclosures of its Trading and Manufacturing Activity (TMA) in the financial statements. This will enable sufficient and relevant information being made available to the users of its financial statements.

The Ministry operates two Trading and Manufacturing Account, namely livestock and fuel and oil.

The Ministry did not separately disclose the activity of the two (2) TMAs but consolidated them in the financial statements.

Audit noted that the Ministry did not provide disclosures for the variations in the consolidated Trading and Manufacturing Account in the notes to the financial statements.

The findings indicated the lack of oversight towards the preparation of the financial statements.

The change in the format of the presentation resulted in the limited information being disclosed in the financial statements for each type of TMA in terms of its performance and cash flows.

¹³ *Ministry of Finance Instructions 2010, Section 71 (1) (b) (c) – Annual Financial Statements*

Recommendations

The Ministry should:

- ensure that adequate disclosures are made in the financial statements for the users of the financial statements to make informed decisions.
- provide ongoing training for ministry staff involved in financial reporting and implement a robust system for reviewing financial reports before submission.

Ministry's Comments

The audit comment is noted.

The Ministry is intending to run two (2) refresher training on financial reporting and review of financial submissions this fiscal year.

The training will focus on:

1. the requirements of the Financial Statement.
2. the importance of providing adequate disclosures.

The Ministry will strengthen its monitoring of submissions of monthly & quarterly reports which will have adequate disclosures in its Annual Financial Reports.

30.8 Drainage Board funds

Drainage (Amendment) Act 2023 re-established the drainage boards under the Drainage Act of 1961. The responsibility of drainage systems has been transferred from the Ministry of Waterways back to the newly reinstated drainage board with the mandate to improve the management and maintenance of existing drainage infrastructure, mitigating flooding, and ensuring the safety of people, property, and critical infrastructure.

The purpose of the Government Grant is for the maintenance and upgrading of non-municipal council drains.¹⁴ The Grant recipients must utilise the Government Grant as efficiently and effectively as possible. The Grant recipients must take action to improve its efficiency and effectiveness if requested by Government.¹⁵ The accounts of every Board shall be audited by an auditor or auditors appointed by the Board and approved by the Controlling Authority.¹⁶ The grant recipients must maintain proper files and accounting records and the utilisation of the Government Grant.¹⁷ The grant recipient must make all the records available to the Government or the Auditor-General upon request.¹⁸

Notwithstanding the availability or exercise of any other remedies under the agreement, the Government may require the Grant Recipient, as soon as practicable, to immediately refund to the Government any disbursement if there remain any unutilised funds in relations to the Government Grant by the Grant Recipient.¹⁹

¹⁴ Grant Agreement Between the Ministry of Agriculture and the Divisional Drainage Boards – item 4

¹⁵ Grant Agreement Between the Ministry of Agriculture and the Divisional Drainage Boards – section 5 (1) (c)

¹⁶ Drainage Act 1961, Chapter 143, Section 10 (3)

¹⁷ Grant Agreement Between the Ministry of Agriculture and the Divisional Drainage Boards – Section 6 (1) (a)

¹⁸ Grant Agreement Between the Ministry of Agriculture and the Divisional Drainage Boards – Section 6 (1) (c)

¹⁹ Grant Agreement Between the Ministry of Agriculture and the Divisional Drainage Boards – Section 8 (f)

The Divisional Drainage Boards for the Central, Western and Northern Divisions were re-established in April 2024. The Ministry of Agriculture paid a total of \$3,420,535 to the three Drainage Boards during the financial year 2023 - 2024.

The following records and documents were not provided for audit verification:

- Relevant supporting documents and accounting records to substantiate the amount of \$3,420,535 disbursed to the three drainage boards recorded as Capital Construction expenditure (SEG 8) in the Ministry of Agriculture general ledger account.
- Cash at Bank reconciliation statements for the three (3) Divisional Drainage Boards. Refer to the table below for the details of bank accounts as at 31 July 2024.

Table 30.6: Details of Drainage Board bank audit confirmations as at 31 July 2024

Bank Account Name	Bank No.	Account	Closing Balance as per Bank Audit Certificate (\$)
Central Drainage Board		9808335542	1,140,177.85
Western Drainage Board		9808335575	1,125,109.05
Northern Drainage Board		9808335609	1,140,177.85
Total			3,405,464.75

- List of projects that are currently handled by the Drainage Boards and the status of the projects.

The Boards had significant unutilised funds at the end of the financial year which the Ministry did not seek to be refunded as required by the grant agreement.

The above findings indicate poor records management with the annual outputs of the Drainage Boards unclear as funds disbursed were unutilised.

Recommendations

The Ministry should:

- carry out proper planning of work program and strengthen the monitoring of the funds disbursed, so that funds are not only utilised economically but in a timely manner.
- ensure that unutilised funds are returned to government at the end of the financial year as required in the grant agreement.
- ensure that the Drainage Board submits audited financial statements or financial reports to gauge how the disbursed funds are utilized.

Ministry's Comments

The Ministry acknowledges the audit findings regarding the unutilized funds and the lack of supporting documentation for the \$3,420,535 disbursed to the three Divisional Drainage Boards. The Ministry notes that the funds were allocated to support the re-establishment of the Drainage Boards following Cabinet approval. Payments were made once the bank accounts for the Boards were opened, and the Board members were appointed.

The Ministry has conducted meetings with the Board members to emphasize the importance of compliance with financial regulations and the provision/adherence of work plans for maintenance of the drainage schemes.

To improve operations, the Ministry has appointed a clerical officer, a Board Secretary (representing the Ministry's Board engineer), and a field officer to manage the daily operations of the Boards.

The Ministry is committed to improving planning and monitoring processes to ensure efficient use of funds and compliance with grant agreements. Additionally, steps are being taken to improve record management, including the timely submission of reconciliations and the return of unutilized funds at the end of the financial year as required.

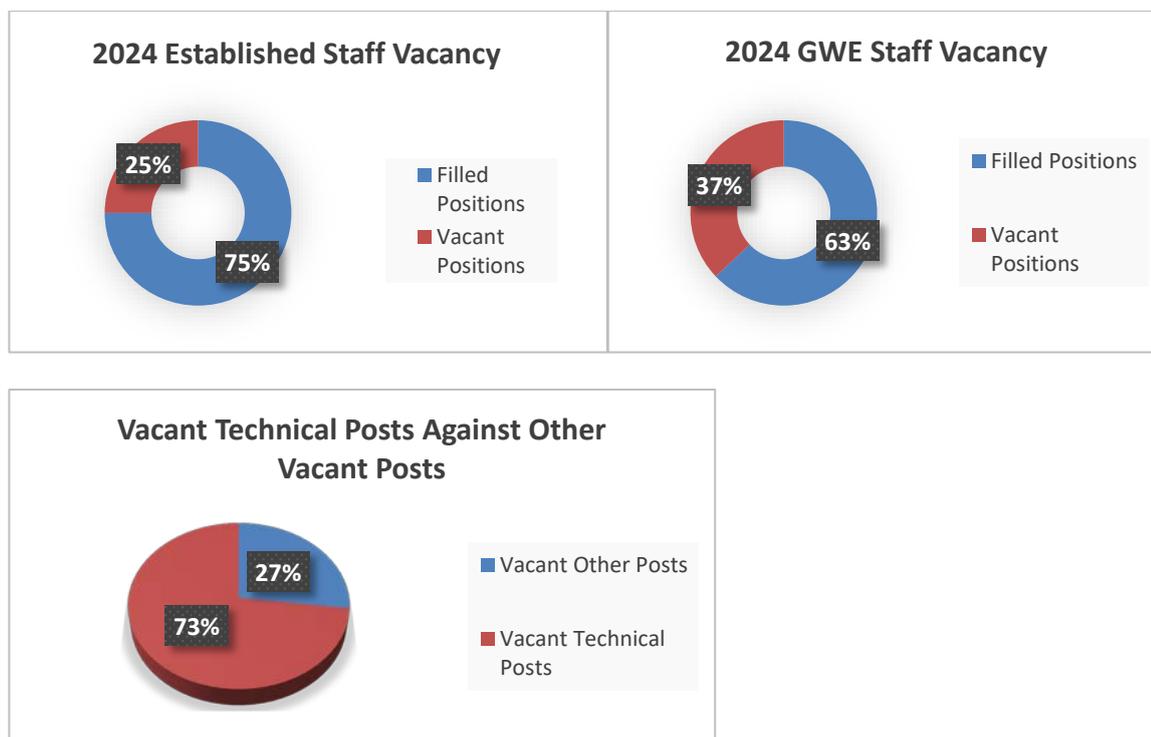
The Ministry appreciates the audit's observations and will continue to address these issues moving forward.

30.9 Vacant Positions

From the review of the Ministry's person to post listing, a total of 161 positions or 25% of the total establishment of 654 positions were vacant.

Further analysis showed that 117 or 73% of the 161 vacant staff posts were technical positions that directly contribute to the core functions of the Ministry.

The audit also noted that 185 positions or 37% of the total government wage earners, of the total 496 positions, were vacant. Refer to the illustrations below for the analysis of vacant staff positions.



As a result, funds totalling \$544,228 (4%) for the established positions and \$272,866 (5%) for the government wage earners positions were unutilised due to positions that were vacant during the year.

The Ministry has not effectively improved its recruitment processes, resulting in delays in filling vacant positions.

Prolonged delay in filling the vacant posts could compromise the service delivery of the Ministry and burden the existing staff with the increased workload.

Recommendations

The Ministry should:

- **consider advertising for pool positions so vacant positions can be filled in a timely manner to ensure continuous service delivery and avoid increased workload for the existing staff.**
- **consider streamlining the process or introducing digital tools to improve time taken for recruitment.**

Ministry's Comments

The audit comment is noted. Reasons for increased in vacancies below

Job Evaluation of Role Titles

- i. Many positions were incorrectly titled in person to post and cannot be advertised unless proper process on correct title as per the approved job evaluated title is obtained before advertisement.
- ii. Incorrect salary and wage band level, thus submission for funding were obtained before the advertisement.

Ministry Restructure

- iii. Majority of vacant positions was hold by previous Management's decision for the Ministry Restructure prior to 2023.
- iv. Following the Ministerial Re-alignment of positions in 2024, all pending vacant positions were re-aligned to the divisions and localities and then advertised and processed.

Creation of new positions to meet organization needs due

- v. to the Ministerial Re-alignment.
- vi. the following project and casual positions were regularised to permanent establishment.
 - 76 Field Worker for Crop Research Division.
 - 12 Agriculture Assistant (BTECH & Stray) for AH&P Division; and
 - 12 Assistant Field Survey (Agriculture) for EP&S Division.
- vii. the regularization increased our vacancies and project employees were to compete for these roles.

Staff Turnover

- viii. Staff continued to leave the Ministry through resignation due to lucrative offers from overseas, other NGOs and Government Departments locally.

The breakdown of advertisement and processing of vacancies are as follows; (4 months processing timeline or less).

Within the Financial Year	Advertised	Filled	Comments
2023	57	76	Pool Advertisement of positions resulted in multiple appointments
2024	43	43	
Total		119	Issued with appointment letters (Estab & GWE)

Way Forward

- i. The Ministry continue to advertise pool positions for role with similar duties and level.
- ii. There are ongoing, simultaneously the processing of EOI positions for acting and temporary relieving appointment.

Due to a Circular issued from Ministry of Civil Service on retention measures, closed merit selection process was adopted and implemented allowing potential officers within to compete and successfully appointed. Therefore, officers within are promoted providing career advancement to existing officers simultaneously the vacancy number will remain the same.

30.10 Absence of Risk Management Policy

The purpose of the Risk Management Policy is to identify, reduce, and prevent undesirable incidents or outcomes and review past incidents and implement lessons learnt to prevent or reduce future incidents.

The audit noted that the Ministry did not have in place appropriate policy for risk management and no formal risk assessment was undertaken during the year.

The risk of not maintaining adequate and/or updated risk controls to counter new threats that can cause disruptions to the operation of the Ministry remains high.

Recommendation

The Ministry should prioritise the development of Risk Management Policy and perform risk assessments.

Ministry's Comments

The audit comment is noted. The recommendation is duly noted for compilation of Risk Management Policy.

PART C: ASSESSMENT OF FINANCIAL REPORTING

30.11 Preparation of Draft Agency Financial Statements

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

Key Focus Areas	Achievement	Key Focus Areas	Achievement
Cancellation of unprocessed purchase orders by 08 July 2024	✗	Closing date for journal adjustments by 15 August 2024	✓
Retirement of Imprest by 10 July 2024	✗	Processing of virements by 16 August 2024	✗
Processing of payments by 24 July 2024	✓	Submission of arrears of revenue return by 23 August 2024	✓
Clearance of Inter-departmental clearance accounts by 02 August 2024	✗	Completion of reconciliations by 26 August 2024	✓

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

Rating	Year-end close process assessment
✗ Ineffective	Four of eight key processes completed by the due date.

30.12 Quality of Draft Financial Statements

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

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

30.13 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
✓ Effective	Acceptable draft financial statements received before 31 October 2024.

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

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

Accordingly, we have assessed timeliness as:

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

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

Head 33 Ministry of Lands and Mineral Resources

Roles and Responsibilities

The Ministry of Lands and Mineral Resources is responsible for policy formulation, monitoring and implementation of programs in the areas governing State Land Administration, Mineral Sector and Fiji's Groundwater Resources, all of which play a distinct role in Fiji's economy. The Department of Lands & Survey is responsible for the effective and efficient administration, development and management of all State land in Fiji. Services that fall under the Department's purview include the administration of State leases; land surveying; mapping; land valuation; survey plan examination and approval; development and maintenance of State land; and geospatial information systems. The Department also manages the Land Use Unit, which coordinates the implementation of Government's land reform initiatives. The Department of Mineral Resources oversees and facilitates development of Fiji's mineral, rock and groundwater resources.

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PART A: FINANCIAL INFORMATION

33.1 Financial Information

AUDIT OPINION MODIFIED	TOTAL RECEIPTS \$24.36 MILLION	TOTAL EXPENDITURE \$26.39 MILLION
REVISED BUDGET \$28.80 MILLION	UNUTILISED BUDGET \$2.40 MILLION	

33.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Lands and Mineral Resources resulted in a modified audit opinion based on the following qualifications:

1. Included in the Department of Lands Trust Fund Account balance of \$8,947,354 is capital project fund of \$440,772 that was transferred from the Operating Fund Account for the purpose of carrying over unused appropriation. Contrary to Section 19(1) of the Financial Management Act 2004, the unused appropriation was carried over without the approval of the Minister of Finance. This resulted in the Department of Lands Trust Fund Account balance being overstated by \$440,772 for the year ended 31 July 2024.
2. The internal control function surrounding the posting of revenue transactions into the general ledger was found to be weak. This included double posting and mis-posting of revenue received into the Land and Property Rent allocation and Fees and Fines allocation in the general ledger. This resulted in the Land and Property Rent balance being overstated by \$253,123 and the Fees and Fines balance being understated by \$241,622 for the year ended 31 July 2024.

In addition, attention was drawn to the Department of Lands Trust Fund Account which included the Land-Owning Units (LOUs) lease funds received and paid to the respective LOUs trust accounts. The Ministry is yet to submit for audit the draft financial statements and relevant supporting documents for all LOUs as required by the Land Use Regulations 2011 - Regulation 5(7).

33.3 Appropriation Statement

The Ministry incurred expenditures totalling \$26.39 million against a revised budget of \$28.80 million resulting in unutilised budget of \$2.40 million or 8%. A total of \$24.36 million in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 33.1.

Table 33.1: Head 33 – Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	11,464,212	---	11,464,212	10,460,384	1,003,828
2	Government Wage Earners	1,025,790	---	1,025,790	905,259	120,531
3	Travel &	445,660	90,000	535,660	505,064	30,596

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Communication					
4	Maintenance & Operations	6,673,952	(473,437)	6,200,515	6,071,739	128,776
5	Purchase of Goods & Services	775,859	130,000	905,859	741,099	164,760
6	Operating Grants & Transfers	32,100	---	32,100	32,100	---
7	Special Expenditures	740,637	---	740,637	730,913	9,724
	Total Operating Expenditure	21,158,210	(253,437)	20,904,773	19,446,558	1,458,215
8	Capital Construction	5,137,082	(550,000)	4,587,082	4,204,976	382,106
9	Capital Purchase	1,289,587	(354,764)	934,823	834,698	100,125
10	Capital Grants & Transfers	260,000	---	260,000	237,069	22,931
	Total Capital Expenditure	6,686,669	(904,764)	5,781,905	5,276,743	505,162
13	Value Added Tax	2,259,325	(150,730)	2,108,595	1,670,847	437,748
	TOTAL	30,104,204	(1,308,931)	28,795,273	26,394,148	2,401,125

The major component of the unutilised budget relates to payroll expenditure, which was due to positions for surveyors, valuers and other specialised posts such as Scientific Officers and Mining Engineers that remained vacant at year end.

33.4 Main Trust Fund Account

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

33.4.1 Lands Trust Fund Account

The funds that are operated under the Lands Trust Fund include the following:

- Land Acquisition Compensation funds
- Land Bank Fees, Leases & Securities collected on behalf of Land-Owning Units
- Sand & Gravel Extraction Royalties
- Qoliqoli Compensation
- Government Survey & Plan Ad-Hoc Work
- Government Construction Work Compensation
- Land Owning Unit Leases
- Funds received for Vanua View Services; and
- Funds received for Re-valuation of City and Town Boundaries for Municipal councils.

The Department of Lands collected trust revenue totalling \$7.31 million and incurred expenditures totalling \$6.18 million resulting in a surplus of \$1.13 million in 2024.

The Lands Trust Fund Account statement of receipts and payments are provided below.

Table 33.2: Lands Trust Fund Account – Statement of Receipts and Payments

Description	31 July 2024 (\$)	31 July 2023 (\$)
Receipts		
Compensation	2,991,685	760,738
Fisheries Impact	39,726	41,279
Lease Rental/ LOU	3,623,725	858,565
Meal/Mileage Claim	128,022	4,559
Royalty	425,541	1,748,745
Other Revenue	100,184	110,443
Total Receipts	7,308,883	3,524,329
Payments		
Bank Fee	221	154
Meal/Mileage Claim	168,133	36,502
Royalty / State Land	1,220,254	417,477
Fisheries Impact	34,109	51,426
Compensation	3,045,486	112,943
Lease Rental / LOU	1,498,428	1,459,087
Other Expenses	214,356	386,660
Total Payments	6,180,987	2,464,249
Net Surplus	1,127,896	1,060,080
Opening Balance as at 1 August	7,819,458	6,759,378
Closing Balance as at 31 July	8,947,354	7,819,458

33.4.2 Minerals Trust Fund Account

The Minerals Trust Fund Account includes license fees paid in advance. The money held in non-mining trust fund account is from the private or public entities who request the Mineral Resources Department to conduct works or projects for them. Non-Mining includes groundwater project or mineral investigations. This is to ensure that any environmental damage caused by the mining companies will be covered by the money held.

The Ministry collected revenue totalling \$3.98 million in 2024 and incurred expenditures totalling \$2.30 million resulting in a surplus of \$1.68 million in 2024.

The detailed trust fund account statement of receipts and payments is provided below.

Table 33.3: Minerals Trust Fund Account – Statement of Receipts and Payments

Description	31 July 2024 (\$)	31 July 2023 (\$)
Receipts		
Mining		
Mining Bond	210,640	425,756
SPL Renewal Fees	60,792	3,328
Mining Lease	---	8,845
Mining Rental Fees	23,620	448,414
Royalty	3,591,925	3,188,738
Non-Mining		
Geotechnical Survey	29,033	22,020

Description	31 July 2024 (\$)	31 July 2023 (\$)
Borehole Construction	58,677	165,603
SPL Licenses	607	5,776
Total Receipts	3,975,294	4,268,480
Payments		
Mining		
Transfer of Renewal Fees	25,613	3,744,370
Bond Refund	---	5,366
Royalty Fair Share	2,147,038	2,138,957
Non-Mining		
Borehole Construction	122,324	15,463
Geotechnical Survey	1,867	517
Transfer of Other Revenue held in Trust	---	7,274
Total Payments	2,296,842	5,911,947
Net Surplus/(Deficit)	1,678,452	(1,643,467)
Opening Balance as at 1 August	8,739,351	10,382,818
Closing Balance as at 31 July	10,417,803	8,739,351

PART B: OTHER SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

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

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

It is important to note that the issue detailed in this report may have been subsequently resolved by the Ministry. This has been included in this report as it impacted on the overall system of control of the Ministry as at 31 July 2024.

33.5 Unapproved Carry Over of Funds

If an amount appropriated by an Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister may authorise the carryover to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, and the amount authorised for carry-over may be used accordingly in that following year, subject to such conditions as the Minister specifies in the authorisation.²⁰

At the end of the 2021 – 2022 financial period, capital project funds of \$440,772 that was budgeted for the Upgrade of the Vakamasiusua Industrial Subdivision was unutilised. The Ministry transferred this unutilised fund to the Department of Lands Trust Account for the purpose of carrying the funds over to the next financial year. The audit noted that the Ministry did not seek the approval of the Minister of Finance to carry over this fund.

Subsequently, the Ministry used the fund to settle progressive claims for the work done for the Vakamasiusua Industrial Subdivision during the financial year 2023 and 2024. Refer to Table 33.4 below for details of payments made from the Trust Account.

Table 33.4: Payments Made from the Lands Trust Account

Payment Date	EFT/Chq No.	Description	Amount (\$)
24/10/2022	273	Progress Claim No. 3	105,442.79
2/12/2022	326	Progress Claim No. 4	96,559.83
01/02/2023	350	Progress Claim No. 5	69,847.20
05/04/2025	42195	Progress Claim No. 6	69,751.76
			341,601.58

The Ministry confirmed that all the upgrade works have been completed, and the defects liability period expired on 30 June 2025. A total of \$62,405 is left to be paid out to the contractor.

²⁰ *Financial Management Act 2004 - Section 19 (1)*

Carrying over unutilised funds without the approval of the Minister of Finance has resulted in non-compliance with the Financial Management Act 2004 and inaccurate financial reporting. Unauthorised carry over of funds can also result in potential misuse of funds.

Recommendations

The Ministry should:

- **Strengthen financial oversight and monitoring to ensure unused funds are either reallocated or properly returned.**
- **Review and strengthen internal controls related to fund management, especially at the close of the financial year.**
- **Identify and address potential risks of fraud related to the misuse or unapproved carryover of funds.**
- **Conduct regular training for finance staff involved in budgeting and financial management on the policies surrounding carryover and the importance of adhering to approved processes.**

Ministry's Comments

The Auditor's recommendation has been noted. The ministry will ensure that proper documentation of approvals is obtained and compiled for future verification. The Ministry confirms that the project is completed and is awaiting the WAF engineer's report before making the final payment. The Ministry will ensure that policies and procedures are put in place to ensure the integrity of financial and accounting information that will help to prevent and detect fraud and errors. This involves a series of checks and balances which may include:

1. *Documentation procedures of retaining records.*
2. *Physical controls and security measures to prevent theft and unauthorized access to records.*
3. *Authorisation controls: requiring managerial approval for certain transactions. The Ministry will ensure that proper training is conducted as necessary to all finance and procurement staffs. Such trainings will include refresher FMIS courses on procurement acts and regulations, LPO, Accounts receivable and payable, General ledgers, Fixed assets, POS invoices, receipts and H1, H2, U, E exams on financial essential information.*

33.6 Control Weaknesses Over the Revenue Process

Each journal voucher or input form shall be checked by the Senior Accounts Officer who must ensure that:

- I. vouchers are adequately supported;
- II. dollar values are accurately computed;
- III. the correct account codes have been debited or credited.²¹

Review of the revenue records noted the following:

- JV No. 337967 for \$1,331,992 was posted twice and labelled as JV No. 337968 in the Financial Management Information System (FMIS) general ledger. There was no adjustment made to rectify the double posting resulting in the land rental allocation being understated by \$278,055

²¹ *Ministry of Lands and Mineral Resources Finance Manual 2023, Part 5.5.6*

and various revenue allocations overstated by the same. Refer to Table 33.5 below for details:

Table 33.5: Journal Voucher Double Posted

	Land Rental Allocation		Various Revenue Allocations
	DR	CR	CR
Revenue Posted by MoF		1,331,992.20	
JV 337967	1,331,992.20	1,053,937.56	278,054.64
JV 337968	1,331,992.20	1,053,937.56	278,054.64
Total Dr/Cr	2,663,984.40	3,439,867.32	556,109.28
Amount Posted		775,882.92	556,109.28
Audit Recalculated Amount		1,053,937.56	278,054.64
(Under)/Over Posted		(278,054.64)	278,054.64

- Revenues totalling \$513,491 was misposted to the land rental allocation. These included penal rent and VAT on revenue amounting to \$241,622 and \$271,869 respectively. Refer to Table 33.6 below for details.

Table 33.6: Details of Misallocation of Revenue

Date	Receipt No.	Penal Rent (\$)	Vat on Revenue (\$)
27/05/2024	681198		18,746.03
22/03/2024	681014		28,553.98
4/4/2024	681157		20,288.71
15/5/2024	372750	61,371.08	
28/03/2024	681021		10,775.59
30/05/24-31/05/2024	683616		11,347.83
28/05/2024	372880	90,125.50	
22/05/2024	372930	90,125.50	
03/04/2024	681030		9,532.87
30/01/2024	688415		13,035.07
11/8/2023	673902		11,578.95
22/02/2024	685818		19,298.25
3/1/2024	678774		58,711.41
11/1/2024	678386		10,060.87
01/03/2024-14/03/2024	678900		8,399.35
22/09/2023	671377		14,609.76
9/8/2023	671283		7,155.00
23/02/2024	688536		29,775.30
Total		241,622.08	271,868.97

The above findings indicated internal control weaknesses in revenue including reconciliation procedures and the lack of oversight by supervising officers. These have resulted in the misclassification of revenue in the financial statements.

Recommendations

The Ministry should ensure that:

- **supervisory checks are strengthened so that all revenue received is properly identified, receipted and correctly posted in the FMIS general ledger.**
- **regular reconciliations are performed for Land Rental allocation to reconcile all revenue received and to ensure that every revenue entry is properly identified and adjusted to the correct revenue allocation.**
- **training is provided to staff involved in revenue-related processes on proper revenue recognition procedures, documentation and reporting practices.**

Ministry's Comments

The auditor's recommendation is noted. The Ministry will ensure to demonstrate effective controls to account for the revenues received such as:

- 1. Identify the types of revenue*
- 2. What revenue allocation to be used*
- 3. Posting of revenue to FMIS general ledger. There will be follow ups with Ministry of Finance on the land lease payments posted daily by FMIS.*

The Ministry will review its revenue receipting policy together with SOP and to incorporate the verification of direct deposits posted from Ministry of Finance. For example: Once the ministry receives the remittance advice from lessees, then it'll be forwarded to FMIS for verification and confirmation of payment received from the FGCA account.

The Ministry will ensure that the monthly reconciliation for the land rental allocation will be done. This will be part of the report that will tabulate to Ministry of Finance. The Ministry will request approval from Office of the Auditor-General for reversal adjustment of double posting JV 337968 to be done in Period 12 - FY 2024 which MoF will concur.

The Ministry will ensure that the finance team receives proper training to implement and adhere to revenue guidelines for receiving funds. Such trainings will include H1, H2, U and E exams on financial essential information.

33.7 Unaudited Land-Owning Units (LOUs) Accounts – Recurring Issue

The Office of the Auditor General must audit the annual financial statements of accounts for the Land-Owning Unit for any calendar year.²²

The audits of the LOUs are outstanding as majority have not submitted draft financial statements to the Office of the Auditor General. While the Ministry has submitted 55 Mataqali Trust draft accounts for audit, it is still working with the LOUs on the preparation and submission of the pending 239 draft accounts for the 34 land-owning units. The audits have not progressed because the supporting accounting records were not made available.

The latest audits were conducted in 2012 for five LOUs for the financial year 2011.

The lack of capacity within the Land-Owning Units for the preparation of the financial statements

²² *Land Use Regulation 2011, Part II, Section 7*

and maintaining of adequate financial records have resulted in the significant delays in the submission of draft financial statements for audit.

Recommendations

The Ministry should:

- **strengthen capacity and implement a robust follow up mechanism to ensure timely preparation and submission of the financial statements for audit.**
- **liaise with the Land-Owning Units to ensure that annual financial statements that are due are prepared and submitted as required under the Land Use Act.**
- **ensure that Trustees are aware of the requirement for submission of the financial statements for audit purposes and the importance of the process in public financial management.**

Ministry's Comments

The Auditors recommendation is noted. The Ministry will ensure that proper documentations of LOU financial statements are sought and compiled every financial year for future audit verifications. The Ministry has confirmed that the five LOU's had submitted their financial statements and ready for verifications.

33.8 Significant Arrears of Revenue – Recurring Issue

Within one month after the end of each quarter, each agency with accounts receivable must submit a quarterly report on outstanding and overdue debts to the Ministry of Finance. Accounts which are overdue must be promptly followed up in accordance with the debt recovery procedures in the Finance Manual.²³

The audit noted that the Ministry had substantial arrears of revenue amounting to \$32.3 million as at 31 July 2024. Although a slight decline of 2% was noted in 2024, an increasing trend was noted over the past 8 years, with arrears of revenue remaining above \$20 million since 2016 and exceeded \$30 million from 2020. Refer to Table 33.7 for details.

Table 33.7: Arrears of Revenue 2016 - 2024

Year	Amount (\$)
2024	32,270,858
2023	32,821,448
2022	35,881,068
2021	33,432,792
2020	30,342,570
2019	26,936,731
2018	23,457,483
2017	21,820,630
2016	20,778,013

In addition, the audit also revealed that the highest arrears were owed by business entities within the industrial, foreshore, commercial and special class of leases.

²³ Finance Instruction 2010, Section 41 & 43

The recovery measures in place have not effectively reduce the arrears of revenue over the years. As a result, there is high risk that these arrears of revenue will become irrecoverable and may be written off resulting in loss of Government revenue.

Recommendations

The Ministry should:

- **implement effective recovery measures that will ensure recoveries of arrears of leases from defaulters.**
- **seek collaborative assistance in terms of recovery from agencies such as Fiji Revenue and Customs Services, Land Transport Authority, Immigration and Fiji National Provident Fund.**
- **consider acting as stipulated in the legislation on defaulters with substantial and irrecoverable lease arrears.**

Ministry's Comments

The Auditor's recommendation has been noted. The Ministry is currently reviewing the State Lands Act and has incorporated remedial measures to enhance the recovery of lease arrears.

Additionally, the Cabinet paper is in its draft form. The Ministry will ensure that the guidelines, proper processes, and procedures outlined in the State Lands Act are effectively implemented to support arrears recovery. With the issuance of rental default notices and thereafter re- entry of leases and recovery of rental through the Office of the Solicitor General.

PART C: ASSESSMENT OF FINANCIAL REPORTING

33.9 Preparation of Draft Agency Financial Statements

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

Key Focus Areas	Achievement	Key Focus Areas	Achievement
Cancellation of unprocessed purchase orders by 08 July 2024	✗	Closing date for journal adjustments by 15 August 2024	✗
Retirement of Imprest by 10 July 2024	✗	Processing of virements by 16 August 2024	✓
Processing of payments by 24 July 2024	✓	Submission of arrears of revenue return by 23 August 2024	✗
Clearance of Inter-departmental clearance accounts by 02 August 2024	✓	Completion of reconciliations by 26 August 2024	✗

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

Rating	Year-end close process assessment
✖ Ineffective	Three of eight key processes completed by the due date.

33.10 Quality of Draft Financial Statements

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

Rating	Quality of draft financial statements assessment
☀ Generally effective	Adjustments on total expenditure, operating results/net assets were less than one percent

33.11 Timeliness of Draft Financial Statements

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

Rating	Timeliness of draft financial statements assessment
✖ Ineffective	Acceptable draft financial statements received after 31 October 2024.

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

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

Accordingly, we have assessed timeliness as:

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

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



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