



OFFICE *of the* AUDITOR GENERAL  
*Republic of Fiji*

REPORT OF THE AUDITOR - GENERAL OF THE  
REPUBLIC OF FIJI

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**2024 AUDIT REPORT**  
**GENERAL ADMINISTRATION**  
**SECTOR**



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 87 of 2025



OFFICE of the AUDITOR GENERAL  
Republic of Fiji

## VISION

Auditing for better public sector performance and accountability

## MISSION

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

## VALUES



### Professionalism

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.



### Innovation

We drive continuous improvements through innovative audit methodologies, products and processes to deliver risk informed, efficient and high-quality audit work.



### Collaboration

We are honest and respectful in our collaborations. We understand our stakeholders' needs and exceed their expectations through continuous engagements and collaboration, being fair and constructive when exploring thoughts, ideas and approaches to meet our commitments.



### Courage

We deliver our mandate in an unwavering manner despite the challenges that we may encounter.



### Integrity

We carry out our duties ethically and independently with respect, transparency, and confidentiality to maintain the trust of our stakeholders in our products and services.

## PROFESSIONAL FRAMEWORK

International Standards for Supreme Audit Institutions

International Standards on Auditing

## LEGAL FRAMEWORK

2013 Constitution of the Republic of Fiji

Audit Act 2025

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# OFFICE OF THE AUDITOR GENERAL

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File: 102

28 April 2026

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

Dear Sir

## **2024 AUDIT REPORT ON GENERAL ADMINISTRATION 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 General Administration Sector for the financial year 2024.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'F. Seru'.

Finau Seru Nagera  
**AUDITOR-GENERAL**



Encl.

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

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 General Administration Sector, for the financial year 2024:

Head 1	Office of the President
Head 2	Office of the Prime Minister Department of Information and National Archives Ministry of Public Enterprises Ministry of Environment and Climate Change
Head 3	Office of the Attorney-General
Head 4	Ministry of Finance, Strategic Planning, National Development and Statistics
Head 5	Ministry of iTaukei Affairs and Culture, Heritage and Arts
Head 6	Ministry of Home Affairs and Immigration
Head 7	Ministry of Employment, Productivity and Industrial Relations
Head 8	Ministry of Foreign Affairs
Head 9	Independent Bodies: Judiciary Parliament of Fiji Office of the Director of Public Prosecutions
Head 13	Independent Commission – Public Service Commission
Head 14	Fiji Corrections Service
Head 15	Ministry of Justice
Head 17	Ministry of Civil Service
Head 18	Ministry of Rural and Maritime Development and Disaster Management
Head 19	Republic of Fiji Military Forces
Head 20	Fiji Police Force
Head 49	Peacekeeping Missions

Except for the Fiji Corrections Service, the audits were completed and Auditors' Reports issued between March and September 2025. Details are provided in Section 2.0.

### Results of Audits – Quality and Timeliness of Financial Statements

Eighteen Ministries were issued with unmodified audit opinions while four Ministries, namely Ministry of Home Affairs and Immigration, Judiciary, Republic of Fiji Military Forces and Fiji Police Force were issued with modified audit opinions.

The timeliness for the submission of the draft financial statements for audit was assessed as satisfactory for thirteen Ministries. Ten Ministries submitted draft financial statements for audit after the due date of 31 October.

A total of 33 audit findings have been reported compared to 24 identified in the previous year.

Furthermore, the timeliness for submission of management comments and the return of the audited financial statements were also assessed as detailed in section 3.5.

## 2.0 AUDIT OPINION

The main outcome of the audits are independent auditors' reports 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 of financial statements for the agencies under the General Administration Sector remained consistent except for the Ministry of Home Affairs and Immigration and the Fiji Police Force, which were issued with modified audit opinions for 2024.

The results of the audits are presented in the table below:

Ministry/Department	2024 Financial Year		2023 Financial Year	2022 Financial Year
	Date Audit Report Signed	Audit Opinion Type	Audit Opinion Type	Audit Opinion Type
1. Office of the President	01/08/2025	Unmodified	Unmodified	Unmodified
2. Office of the Prime Minister Department of Information and National Archives Ministry of Public Enterprises Ministry of Environment and Climate Change	04/08/2025 19/06/2025 02/06/2025 04/09/2025	Unmodified Unmodified Unmodified Unmodified	N/A	N/A
3. Office of the Attorney-General	16/07/2025	Unmodified	Unmodified	Unmodified
4. Ministry of Finance, Strategic Planning, National Development and Statistics	26/06/2025	Unmodified	Unmodified	Unmodified
5. Ministry of iTaukei Affairs	10/07/2025	Unmodified	Unmodified	Unmodified
6. Ministry of Home Affairs and Immigration	29/07/2025	Modified - Qualified	Unmodified	Unmodified
7. Ministry of Employment, Productivity and Industrials Relations	18/09/2025	Unmodified	Unmodified	Unmodified
8. Ministry of Foreign Affairs	20/08/2025	Unmodified	Unmodified	Modified
9. <b>Independent Bodies</b> Judiciary  Parliament of Fiji Office of the Director of Public Prosecutions	22/09/2025  09/07/2025 29/07/2025	Modified - Qualified Unmodified Unmodified	Modified - Qualified Unmodified Unmodified	Modified - Qualified Unmodified Unmodified
13. <b>Independent Commission</b> Public Service Commission	12/03/2025	Unmodified	Unmodified	Unmodified
14. Fiji Correction Service	11/12/2025	Unmodified	Unmodified	Unmodified
15. Ministry of Justice	23/06/2025	Unmodified	Unmodified	Unmodified
16. Department of Information, Communication & Digital Government Transformation Office	N/A	N/A	Unmodified	Unmodified
16A. Department of Information Technology and Computing Services	N/A	N/A	Unmodified	Unmodified
17. Ministry of Civil Service	12/03/2025	Unmodified	Unmodified	Unmodified
18. Ministry of Rural and Maritime Development and Disaster Management	07/08/2025	Unmodified	Unmodified	Unmodified
19. Republic of Fiji Military Forces	11/07/2025	Modified – Qualified	Modified - Qualified	Modified - Qualified
20. Fiji Police Force	16/07/2025	Modified - Qualified	Unmodified	Unmodified
49. Peacekeeping Missions	22/07/2025	Unmodified	Unmodified	Unmodified

The financial reporting framework on which the agency financial statements of Ministries and Departments are prepared and presented 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 submission 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.

Details of our assessment is provided under [Section 3.5 – Assessment Results Summary](#).

#### 3.1 Preparation of Draft Agency Financial Statements

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

1. Cancellation of unprocessed purchase orders by 8 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 2 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 closing 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 key processes completed by the due date

#### 3.2 Quality of Draft Financial Statements

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

We assessed the quality of the draft financial statements submitted for audit by the impact these adjustments had on the total expenditures, operating results or net assets of the Ministry.

Rating	Quality of Draft Financial Statements
● Effective	No adjustment required
● Generally effective	Adjustments on total expenditure, operating results/net assets were less than one percent
● Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

### 3.3 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
● Effective	Acceptable draft financial statements received before 31 October 2024
● Ineffective	Acceptable draft financial statements received after 31 October 2024

### 3.4 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 to an entity and the dates management comments and signed financial statements were received.

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

### 3.5 ASSESSMENT RESULT SUMMARY

The table below comparatively summarises the assessments of the financial statements preparation processes and timeliness of the submission of responses to the Office of the Auditor-General for three consecutive years.

The details of the assessments are included in each Section.

Ministry or Department	Financial Statements Preparation									Responses to OAG					
	T			YE			Q			TMC			TSFS		
	'24	'23	'22	'24	'23	'22	'24	'23	'22	'24	'23	'22	'24	'23	'22
<b>General Administration Sector</b>															
1. Office of the President	🔴	🟢	🟡	🟡	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
2. Office of the Prime Minister	🟢	🟢	🟡	🟡	🟢	🟡	🟢	🟢	🟢	🟢	🟢	🟡	🔴	🟢	🟡
Department of Information and National Archives	🟢	N/A	N/A	🟢	N/A	N/A	🟢	N/A	N/A	🟢	N/A	N/A	🟢	N/A	N/A
Ministry of Public Enterprises	🟢	N/A	N/A	🟢	N/A	N/A	🟡	N/A	N/A	🟢	N/A	N/A	🟢	N/A	N/A
Ministry of Environment and Climate Change	🔴	N/A	N/A	🟢	N/A	N/A	🟢	N/A	N/A	🟢	N/A	N/A	🔴	N/A	N/A
3. Office of the Attorney-General	🟢	🟢	🟡	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟡	🔴	🟢	🔴
4. Ministry of Finance	🟢	🟢	🟡	🟡	🟡	🟡	🟢	🟢	🟢	🟢	🔴	🟢	🟢	🟢	🟡
5. Ministry of iTaukei Affairs	🟢	🟢	🔴	🟢	🟢	🟡	🟢	🟢	🔴	🟢	🟢	🔴	🟢	🟢	🟡
6. Ministry of Home Affairs and Immigration	🔴	🟢	🔴	🟡	🟡	🟡	🔴	🟢	🟢	🟢	🔴	🔴	🟢	🟢	🔴
Immigration	🔴	🟢	🟡	🟢	🟡	🟡	🔴	🔴	🟢	🟢	🟢	🟡	🟢	🟢	🟡
7. Ministry of Employment, Productivity and Industrial Relations	🔴	🟢	🟡	🟡	🟡	🟢	🔴	🟢	🟡	🔴	🟢	🟢	🔴	🟢	🟡
8. Ministry of Foreign Affairs	🟢	🔴	🟡	🔴	🟡	🟡	🟢	🔴	🔴	🟢	🟢	🟢	🟢	🟢	🟢
9. <b>Independent Bodies</b>															
Judiciary	🔴	🟢	🟡	🟡	🟢	🟢	🔴	🔴	🟢	🔴	🟢	🟢	🔴	🔴	🔴
Parliament of Fiji	🟢	🟢	🟡	🟡	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🔴	🟢
Office of the Director of Public Prosecutions	🟢	🟢	🟡	🟢	🟡	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🔴
13. <b>Independent Commission:</b>															
Public Service Commission	🟢	🟢	🟡	🟡	🟡	🟢	🟢	🟢	🟢	🟢	🔴	🟢	🟢	🟢	🔴
14. Fiji Corrections Service	🟢	🟢	🟡	🟡	🟢	🟢	🟢	🟢	🟢	🔴	🟢	🟢	🔴	🟢	🟡
15. Ministry of Justice	🔴	🟢	🟡	🔴	🟢	🟡	🟢	🟢	🟢	🔴	🔴	🔴	🟢	🔴	🔴

Financial Year	Financial Statement Preparation									Responses to OAG					
	T			YE			Q			TMC			TSFS		
	'24	'23	'22	'24	'23	'22	'24	'23	'22	'24	'23	'22	'24	'23	'22
16. Departments of Information, Communications & Digital Government Transformation Office	N/A	●	●	N/A	●	●	N/A	●	●	N/A	●	●	N/A	●	●
16A. Department of Information Technology & Computing Services	N/A	●	●	N/A	●	●	N/A	●	●	N/A	●	●	N/A	●	●
17. Ministry of Civil Service	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
18. Ministry of Rural and Maritime Development and Disaster Management	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
19. Republic of Fiji Military Forces	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
20. Fiji Police Force	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
49. Peacekeeping Missions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

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

T=Timeliness of Submission of Draft Financial Statements

YE=Year-end close processes

Q=Quality of Draft Financial Statements

TMC=Timeliness of Provision of Management Comments

TSFS=Timeliness of signing audited financial statements

## Head 1 Office of the President

### Roles and Responsibilities

The Office of the President provides administrative and logistical support to the Head of State, His Excellency the President, in the performance of official duties. These duties include: the signing of bills passed by Parliament into law, opening each session of Parliament, attending ceremonial functions, carrying out responsibility as Commander-in-Chief of the Republic of Fiji Military Forces (RFMF), conducting state visits and maintaining an active community engagement programme.

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## PART A: FINANCIAL INFORMATION

### 1.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$3,026	<b>TOTAL EXPENDITURE</b> \$2.84 MILLION
<b>REVISED BUDGET</b> \$3.08 MILLION	<b>UNUTILISED BUDGET</b> \$241,610	

### 1.2 Audit Opinion

The audit of the 2024 accounts for the Office of the President (the Office) resulted in an unmodified audit opinion.

### 1.3 Appropriation Statement

The Office incurred expenditures totalling \$2.84 million against a revised budget of \$3.08 million, resulting in an unutilised budget of \$241,610 or 8%.

Details of expenditure against the revised budget are provided in Table 1.1.

**Table 1.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	781,483	(23,050)	758,433	660,655	97,778
2	Government Wage Earners	278,213	23,050	301,263	274,662	26,601
3	Travel & Communication	492,500	337,583	830,083	810,113	19,970
4	Maintenance & Operations	553,472	(152,059)	401,413	392,820	8,593
5	Purchase of Goods & Services	611,149	(185,524)	425,625	425,621	4
	<b>Total Operating Expenditure</b>	<b>2,716,817</b>	<b>---</b>	<b>2,716,817</b>	<b>2,563,871</b>	<b>152,946</b>
8	Capital Construction	1,500,000	(1,400,000)	100,000	73,665	26,335
	<b>Total Capital Expenditure</b>	<b>1,500,000</b>	<b>(1,400,000)</b>	<b>100,000</b>	<b>73,665</b>	<b>26,335</b>
13	Value Added Tax	473,570	(210,000)	263,570	201,241	62,329
	<b>TOTAL EXPENDITURE</b>	<b>4,690,387</b>	<b>(1,610,000)</b>	<b>3,080,387</b>	<b>2,838,777</b>	<b>241,610</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 1.4 Preparation of Draft Agency Financial Statements

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

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

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

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

### 1.5 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
☀ Effective	No adjustment required

### 1.6 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
☹ Ineffective	Acceptable draft financial statements received after 31 October 2024

### 1.7 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 date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received. Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
☀ Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statements for signing

## Head 2

# Office of the Prime Minister

### Roles and Responsibilities

The Office of the Prime Minister (OPM) assists the Prime Minister in his role as Head of Government and the Chairperson of Cabinet by providing administrative and logistical support. The Cabinet Office of the OPM provides Cabinet and the Prime Minister with secretariat support to ensure timely decisions for the effective running of Government.

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## PART A: FINANCIAL INFORMATION

### 2.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$186,573	<b>TOTAL EXPENDITURE</b> \$21.81 MILLION
<b>REVISED BUDGET</b> \$23.50 MILLION	<b>UNUTILISED BUDGET</b> \$1.69 MILLION	

### 2.2 Audit Opinion

The audit of the 2024 accounts of the Office of the Prime Minister resulted in an unmodified audit opinion with an emphasis of matter.

The emphasis of matter was on the following:

The Appropriation Statement shows that Capital Expenditure had an unutilised budget of \$534,279 or 27% of the revised budget for the year ended 31 July 2024.

### 2.3 Appropriation Statement

The Office of the Prime Minister incurred expenditure totalling \$21.81 million in 2024 against a revised budget of \$23.50 million, resulting in a savings of \$1.69 million or 7%. A total of \$186,573 in revenue was collected by the Office.

Details of expenditure against the revised budget are provided in Table 2.1.

Table 2.1: Head 2 - Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,576,512	(215,000)	2,361,512	1,956,795	404,717
2	Government Wage Earners	491,282	15,000	506,282	455,777	50,505
3	Travel & Communication	891,000	123,000	1,014,000	883,324	130,676
4	Maintenance & Operations	1,079,850	3,000	1,082,850	969,509	113,341
5	Purchase of Goods & Services	169,033	74,000	243,033	199,269	43,764
6	Operating Grants & Transfers	15,772,350	---	15,772,350	15,550,601	221,749
7	Special Expenditure	170,000	---	170,000	141,138	28,862
	<b>Total Operating Expenditure</b>	<b>21,150,027</b>	<b>---</b>	<b>21,150,027</b>	<b>20,156,413</b>	<b>993,614</b>
10	Capital Grants & Transfers	2,000,000	---	2,000,000	1,465,721	534,279
	<b>Total Capital Expenditure</b>	<b>2,000,000</b>	<b>---</b>	<b>2,000,000</b>	<b>1,465,721</b>	<b>534,279</b>
13	Value Added Tax	346,510	---	346,510	189,606	156,904
	<b>TOTAL EXPENDITURE</b>	<b>23,496,537</b>	<b>---</b>	<b>23,496,537</b>	<b>21,811,740</b>	<b>1,684,797</b>

The unutilised capital budget was due to the delay in the implementation of the project relating to the construction of a multipurpose shed for a primary school in Suva.

## 2.4 Trust Fund Account

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

The Office of the Prime Minister operate and maintains four main trust fund accounts.

Given below are the details of these accounts:

### 2.4.1 Chinese Grant Trust Fund Account

The trust fund account is used to account for grants that are provided by the Chinese Government to the Fiji Government through bilateral agreements in the form of letter of exchange.

The funds are generally used to cater for projects that are committed by the Honourable Prime Minister through requests from the communities and evaluated based on needs and priorities. These are mainly projects that assist communities in the areas of education, integrated village/settlement developments, youth developments, women's and minority group settlement developments and are not provided for in the national budget. The approving authority for the funding of requested assistance is the Honourable Prime Minister.

**Table 2.2: Chinese Grant Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>RECEIPTS</b>		
Interest	263	305
Indonesian Cash in Kind Project Assistance	---	42,347
<b>Total Receipts</b>	<b>263</b>	<b>42,652</b>
<b>PAYMENTS</b>		
Bank Charges	28	31
Vanuabalavu Assistance	5,000	---
Naroi Village Assistance	2,000	---
Remembrance Day Royal Service	10,000	---
Nagonicolo Scholarship Fund Assistance	5,000	---
Salusalu Domoni Band Assistance	---	9,316
Ablution Block – Vunirara House Bau	---	58,134
Nasava Village Assistance	---	1,000
RFMF Sports Assistance	---	3,125
<b>Total Payments</b>	<b>22,028</b>	<b>71,606</b>
<b>Net (Deficit)</b>	<b>(21,765)</b>	<b>(28,954)</b>
Opening balance as at 1 August	275,660	304,614
<b>Closing Balance as at 31 July</b>	<b>253,895</b>	<b>275,660</b>

Reduction in payments by \$49,578 or 69% was due to decrease in the cost of community projects in 2024.

### 2.4.2 Taiwan Grant Trust Fund Account

The trust fund account is used to account for grants that are provided by the Taiwanese Government to the

Fiji Government through bilateral agreements. The funds are generally used to cater for those projects that are committed by the Honourable Prime Minister through requests from the communities and evaluated based on its need and priority. These are mainly projects that assist in the areas of education, integrated village/settlement developments, youth developments, women's and minority group settlement developments and are not provided for in the national budget. The approving authority for the funding of assistance under this trust fund is the Honourable Prime Minister.

**Table 2.3: Taiwan Grant Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>RECEIPTS</b>		
Interest Received	336	402
Taiwan Grant Assistance	---	75,000
Refund (PPO Overseas Training Assistance)	1,679	---
<b>Total Receipts</b>	<b>2,015</b>	<b>75,402</b>
<b>PAYMENTS</b>		
Fiji Police – PPO Overseas Training	148,389	---
Weightlifting Fiji Assistance	64,581	---
Touch Rugby Fiji Assistance	46,410	---
Bank Charges	36	40
<b>Total Payments</b>	<b>259,416</b>	<b>40</b>
<b>Net (Deficit)/Surplus</b>	<b>(257,401)</b>	<b>75,362</b>
Opening Balance as at 1 August	463,576	388,214
<b>Closing Balance as at 31 July</b>	<b>206,175</b>	<b>463,576</b>

There was no grant assistance received in 2024 thus the decrease in receipts by \$73,387 or 97% compared to the previous year. The assistance provided for the Fiji Police Personal Protective Officers (PPO) Overseas Training and two sporting bodies made up the payments for 2024.

### 2.4.3 Retention Trust Fund Account

This trust fund account is used for project retention funds. The funds are paid out to contractors on submission of certificates of completion and when all conditions of the contracts are met.

**Table 2.4: Retention Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>RECEIPTS</b>		
Interest	1,013	996
Retention for Tokou Dispensary	13,887	---
<b>Total Receipts</b>	<b>14,900</b>	<b>966</b>
<b>PAYMENTS</b>		
Bank fee	142	140
Retention payment for Tokou Dispensary	6,944	---
<b>Total Payments</b>	<b>7,086</b>	<b>140</b>
<b>Net Surplus</b>	<b>7,814</b>	<b>856</b>
Opening Balance as at 1 August	996,254	995,398
<b>Closing Balance as at 31 July</b>	<b>1,004,068</b>	<b>996,254</b>

#### 2.4.4 Mahogany Industry Council Trust Fund Account

The Mahogany Industry Council Trust Fund was established in July 2015 for the sole purpose of administering all license fees paid by the Mahogany Industry license holders.

Table 2.5: Mahogany Industry Council Fund

Description	31 July	31 July
	2024 (\$)	2023 (\$)
<b>RECEIPTS</b>		
Licensing Fees	2,008,641	1,105,654
<b>Total Receipts</b>	<b>2,008,641</b>	<b>1,105,654</b>
<b>PAYMENTS</b>		
Bank Charges and Audit Certificate Fee	119	84
Trademark Renewal	---	6,736
FRCS – Stamp Duty	---	3,655
Legal Service	---	4,197
<b>Total Payments</b>	<b>119</b>	<b>14,672</b>
<b>Net Surplus</b>	<b>2,008,522</b>	<b>1,090,982</b>
Opening Balance as at 1 August	2,542,438	1,451,456
<b>Closing Balance as at 31 July</b>	<b>4,550,960</b>	<b>2,542,438</b>

The increase in receipts by \$902,987 or 82% was mainly due to an increase in licensing fees received from the Fiji Hardwood Corporation Limited.

## PART B: OTHER SIGNIFICANT MATTER

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 this issue 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 issue detailed in this report may have been subsequently resolved by the Ministry. These have been included in this report as it had an impact on the overall system of control of the Ministry as at 31 July 2024.

### 2.5 Unutilised Budget for Capital Expenditure

Each year the Appropriation Act and the Budget Estimates sets out details of the appropriations that Cabinet approves for spending by each agency.<sup>1</sup>

The Appropriation Statement of the Office indicated that Capital Grants and Transfers had unutilised budget of \$534,279 or 27% of the revised budget for the year ended 31 July 2024.

Underutilisation of capital budget indicated that planned capital works were not executed or implemented on time.

#### Recommendation

**The Office should ensure that capital projects are well coordinated so that budgeted funds are utilised as intended.**

#### Agreed Management Comments

*Our Projects team have confirmed that the unutilised budget of \$534,249 was due to the delay in implementation of a primary school construction of their Multipurpose Shed. The agreement was signed by PS OPM, but PS Public Works and Meteorological Services did not sign the agreement as their understanding was that PWD is not a contractor, and the agreement clauses refer to the private contractor only. However, discussion was on going for the project to be implemented in the 2024-2025 budget.*

*Continuous reminders and updates have been sent to our projects team in terms of utilisation and as at 30<sup>th</sup> June 2025, utilisation has been over 90% for Small Grant Scheme.*

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<sup>1</sup> Finance Instructions 2010, Section 7

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 2.6 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 year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	Six of seven key processes completed by the due date

### 2.7 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact these adjustments had on the operating results or net assets. Our assessment for the Office of the Prime Minister was:

Rating	Quality of Draft Financial Statements
🌿 Effective	No adjustment required

### 2.8 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
🌿 Effective	Acceptable draft financial statements received before 31 October 2024

### 2.9 Timeliness of Provision of Management Comments and Signing of Financial Statement

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
★ Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
★ Ineffective	After 14 days from the date of issue of audited Financial Statement for signing

**Head 2**

**Department of Information and National Archives**

**Roles and Responsibilities**

The core business of the Department of Information is the provision of timely and accurate information on Government activities and programs across multiple mediums to:

- Government Ministries and Department and Statutory bodies.
- Publishers and editors of multi-media outlets; and
- Members of the public.

The National Archives Department (National Archives of Fiji) is responsible for the appraisal, acquisition, safe custody and the proper maintenance of public records of Fiji and to make them available to Government offices and the public reference and research purposes. The National Archives of Fiji is the official repository for the permanent records of the Government of Fiji and of the materials printed and / or published in Fiji.

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## PART A: FINANCIAL INFORMATION

### 2.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$8,117	<b>TOTAL EXPENDITURE</b> \$2.93 MILLION
<b>REVISED BUDGET</b> \$4.26 MILLION	<b>UNUTILISED BUDGET</b> \$1.33 MILLION	

### 2.2 Audit Opinion

The audit of the 2024 financial statements of the Department of Information and National Archives resulted in an unmodified audit opinion.

### 2.3 Appropriation Statement

The Department incurred expenditures totalling \$2.93 million against a revised budget of \$4.26 million resulting in unutilised budget of \$1.33 million or 31%. A total of \$8,117 in revenue was collected by the Department.

Details of expenditures against the revised budget are provided in Table 2.1.

**Table 2.1: Head 2 - Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,748,578	---	1,748,578	1,353,470	395,108
2	Government Wage Earners	202,733	---	202,733	158,989	43,744
3	Travel & Communication	291,600	---	291,600	203,035	88,565
4	Maintenance & Operations	434,100	---	434,100	265,303	168,797
5	Purchase of Goods & Services	1,268,807	(500)	1,268,307	787,693	480,614
6	Operating Grants & Transfers	19,695	500	20,195	19,940	255
7	Special Expenditure	---	---	---	---	---
	<b>Total Operating Expenditure</b>	<b>3,965,513</b>	<b>---</b>	<b>3,965,513</b>	<b>2,788,430</b>	<b>1,177,083</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	150,000	(150,000)	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>150,000</b>	<b>(150,000)</b>	<b>---</b>	<b>---</b>	<b>---</b>
13	Value Added Tax	321,700	(22,500)	299,200	137,490	161,710
	<b>TOTAL EXPENDITURE</b>	<b>4,437,213</b>	<b>(172,500)</b>	<b>4,264,713</b>	<b>2,925,920</b>	<b>1,338,793</b>

The unutilised budget resulted mainly from the following:

SEG 1 - Unutilised budget was due to vacant positions. Positions were advertised, however due to unsuitable applicants the positions were re-advertised.

SEG 4 - The Department had implemented cost cutting measures on operational expenses such as fuel, postage, electricity and repairs and maintenance for tools & equipment.

- SEG 5 –
- Following the renewal of tender contract, the cost of production for publications for Fiji Focus and other publication had reduced
  - Department of Information was unable to continue with the procurement of video and photographic materials together with other specialised equipment as vendors were unable to secure items from suppliers abroad due to supply chain issues.
  - Expenses to raise awareness for State events were funded by other agencies, therefore unutilised budget in production, advertisements & publication cost.

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 2.4 Preparation of Draft Agency Financial Statements

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

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

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

Rating	Year-end closing process assessment
★ Effective	All 6 key processes completed by the due date

### 2.5 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Department of Information and National Archives was:

Rating	Quality of Draft Financial Statements
★ Effective	No adjustment required

### 2.6 Timeliness of Submission of Draft Financial Statements

To assess the timeliness of submission of acceptable draft financial statements for audit, 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 Submission of Draft Financial Statements
★ Effective	Acceptable draft financial statements received before 31 October 2024

### 2.7 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 Provision of Management Comments
★ Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
★ Effective	Within 14 days from the issue date of audited Financial Statement for signing

**Head 2**

**Ministry of Public Enterprises**

**Roles and Responsibilities**

The Ministry of Public Enterprises implements and oversees reforms of key public enterprises, provides policy recommendations and advise, and monitors public enterprises portfolio to maximise their national contributions and quality of services as guided by the Public Enterprises Act 2019 and underlying legislations and policies.

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## PART A: FINANCIAL INFORMATION

### 2.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$1,200	<b>TOTAL EXPENDITURE</b> \$6.53 MILLION
<b>REVISED BUDGET</b> \$7.83 MILLION	<b>UNUTILISED BUDGET</b> \$1.30 MILLION	

### 2.2 Audit Opinion

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

### 2.3 Appropriation Statement

The Ministry incurred expenditures totalling \$6.53 million against a revised budget of \$7.83 million resulting in unutilised budget of \$1.3 million or 17%. A total of \$1,200 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 2.1.

Table 2.1: Head 2 - Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,034,109	(31,140)	1,002,969	669,837	333,132
2	Government Wage Earners	61,415	---	61,415	17,823	43,592
3	Travel & Communications	27,000	---	27,000	18,341	8,659
4	Maintenance & Operations	51,110	31,140	82,250	62,434	19,816
5	Purchase of Goods & Services	36,162	110,000	146,162	90,196	55,966
6	Operating Grants & Transfers	500,000	---	500,000	500,000	---
7	Special Expenditure	520,500	(110,000)	410,500	258,766	151,734
	<b>Total Operating Expenditure</b>	<b>2,230,296</b>	<b>---</b>	<b>2,230,296</b>	<b>1,617,397</b>	<b>612,899</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	5,708,867	(200,000)	5,508,867	4,857,310	651,557
	<b>Total Capital Expenditure</b>	<b>5,708,867</b>	<b>(200,000)</b>	<b>5,508,867</b>	<b>4,857,310</b>	<b>651,557</b>
13	Value Added Tax	95,200	---	95,200	59,829	35,371
	<b>TOTAL EXPENDITURE</b>	<b>8,034,363</b>	<b>(200,000)</b>	<b>7,834,363</b>	<b>6,534,536</b>	<b>1,299,827</b>

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

SEGs 1 & 2 – Vacant positions not filled and resignations during the year.

SEG 5 - Funds allocated for the establishment of the Higher Salaries Commission was not utilised.

SEG 7 - The Ministry did not engage consultants in relation to the Foreign Mission project and the Water Authority of Fiji Reform project as the responsibilities for the projects were reverted to the Ministry of Foreign Affairs and the Ministry of Public Works, Meteorological Services and Transport respectively.

SEG 10

- Post Fiji Limited (PFL): In the 2023/2024 PFL was allocated a total of \$508,867 for the financial year 2023/2024 as Government's two-third funding for the construction of the new post office in Vanuabalavu, Lau. However, PFL then submitted to the Ministry a revised structural drawing of the new post office of which also affected the total cost of the post office. The total initial cost of the construction was \$763,300, however upon receipt of the revised structural designs, the total cost of the construction had reduced to \$627,455. Given that Government had agreed to two-third funding for this project, only two-third of \$627,455 funding which is equivalent to \$418,303 was disbursed to PFL, thus the savings incurred.
- Biosecurity Authority of Fiji (BAF): Grant was not disbursed given that BAF had sufficient cash holdings for its operation.
- Fiji Rice Limited: The disbursement of the 2023/2024 grant was reduced based on the low utilisation in Quarters 1 - 3
- Food Processors Fiji Pte Limited: Budget allocated for the purchase of a blast freezer and cold storage unit was not released.

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 2.4 Preparation of Draft Agency Financial Statements

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

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

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

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

### 2.5 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
Generally Effective	Adjustments on total expenditure, operating results/net assets were less than one percent

### 2.6 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
Effective	Acceptable draft financial statements received before 31 October 2024

### 2.7 Timeliness of Provision for 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 date management comments and signed financial statements were received.

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signing Audited Financial Statements
• Effective	Within 14 days from the date of issue of audited Financial Statement for signing

## Head 2

# Ministry of Environment and Climate Change

### Roles and Responsibilities

The Ministry of Environment and Climate Change enforces environmental legislation, policies and programs that promote sustainable development and build national resilience to the impacts of climate change.

The Department of Environment is responsible for enforcing measures and processes established under the Environment Management Act 2005 to ensure that Fiji’s national development activities and efforts do not come at the cost of the environment (which includes land, water/sea and air). Through the implementation of environmental legislation, policies and programs, the Ministry works to increase public awareness on environmental issues and enforce strict adherence to the laws that exist to protect and conserve Fiji’s ecosystems and unique biodiversity for future generations.

Through the Climate Change Division, the Ministry coordinates climate-informed development planning, including the coordination of climate finance, and engagement in international climate change negotiations. The Division provides support to line Ministries to increase their capacity to address the impacts of climate change on their respective portfolios while also supporting cross-sectorial efforts to increase access to climate finance.

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## PART A: FINANCIAL INFORMATION

### 2.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$428	<b>TOTAL EXPENDITURE</b> \$8.89 MILLION
<b>REVISED BUDGET</b> \$14.82 MILLION	<b>UNUTILISED BUDGET</b> \$5.93 MILLION	

### 2.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Environment and Climate Change resulted in an unmodified audit opinion.

### 2.3 Appropriation Statement

The Ministry incurred expenditures totalling \$8.89 million against a revised budget of \$14.82 million resulting in an unutilised budget of \$5.93 million or 40%. A total of \$428 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 2.1.

**Table 2.1: Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staffs	2,667,578	5,435	2,673,013	1,845,787	827,226
2	Government Wage Earners	116,771	(10,434)	106,337	73,707	32,630
3	Travel & Communications	103,000	(9,144)	93,856	90,529	3,327
4	Maintenance & Operations	211,079	(13,982)	197,097	195,481	1,616
5	Purchase of Goods & Services	198,643	98,140	296,783	288,679	8,104
6	Operating Grants & Transfers	1,088,548	188,143	1,276,691	1,275,207	1,484
7	Special Expenditures	6,836,811	(47,296)	6,789,515	1,780,526	5,008,989
	<b>Total Operating Expenditure</b>	<b>11,222,430</b>	<b>210,862</b>	<b>11,433,292</b>	<b>5,549,916</b>	<b>5,883,376</b>
8	Capital Construction	3,027,892	(192,582)	2,835,310	2,794,051	41,259
9	Capital Purchases	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>3,027,892</b>	<b>(192,582)</b>	<b>2,835,310</b>	<b>2,794,051</b>	<b>41,259</b>
13	Value Added Tax	576,700	(18,280)	558,420	548,626	9,794
	<b>TOTAL EXPENDITURE</b>	<b>14,827,022</b>	<b>---</b>	<b>14,827,022</b>	<b>8,892,593</b>	<b>5,934,429</b>

The reasons for the significant unutilised budget were as follows:

- SEG 1 – Positions were not filled on time when the Climate Change Department and the Department of Environment merged into one Ministry during the year. They were previously under two separate Ministries.
- SEG 7 - Budget allocated for the implementation of the Fiji Climate Change Act was not utilised during the year.

## 2.4 Trust Fund Account

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

The Ministry of Environment and Climate Change operate and maintains three main trust fund accounts.

Given below are the details of these accounts:

### 2.4.1 Climate Action Trust Fund Account

The Climate Action Trust Fund Account was established to assist the Government to finance programmes, projects and activities that relate to climate change. As at 31 July 2024, the account had a balance of \$3.4 million.

**Table 2.2: Climate Action Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>RECEIPTS</b>		
Climate Action Trust Receipts in Bank Account	426,680	1,010,330
<b>Total Receipts</b>	<b>426,680</b>	<b>1,010,330</b>
<b>PAYMENTS</b>		
Climate Action Trust Payment from Bank Account	988,514	2,592,043
<b>Total Payments</b>	<b>988,514</b>	<b>2,592,043</b>
<b>Net (Deficit)</b>	<b>(561,834)</b>	<b>(1,581,713)</b>
Opening balance as at 1 August	3,987,588	5,569,301
<b>Closing Balance as at 31 July</b>	<b>3,425,754</b>	<b>3,987,588</b>

There was reduction in receipts by \$583,650 or 58% due to decrease in funding.

Reduction in payments by \$1,603,529 or 62% was due to decrease in the project costs in the financial year 2024.

### 2.4.2 Environment Trust Fund Account

The Environment Trust Fund Account consisted of four trust fund accounts including the Ozone Depletion Substance (ODS) Fines, Naboro Landfill, Environment Trust and Convention on International Trade in Endangered Species (CITES). The Ministry collected revenue totalling \$7.3 million for the Environment Trust Fund in 2024 and incurred expenditure totalling \$4.5 million resulting in a surplus of \$2.8 million compared to the surplus of \$3.3 million in 2023. The detailed Environment Trust Fund Account statement of receipts and payments for the year ended 31 July 2024 are provided in Table 2.3 below.

**Table 2.3: Environment Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>RECEIPTS</b>		
Ozone Depletion Substance (ODS) Fines	262,632	288,120
Naboro Landfill	4,994,586	4,277,448
Environment Trust	2,003,647	1,503,509
Convention on International Trade in Endangered Species	8,077	10,075
<b>Total Receipts</b>	<b>7,268,942</b>	<b>6,079,152</b>
<b>PAYMENTS</b>		
Ozone Depletion Substance (ODS) Fines	3,635	59,435
Naboro Landfill	3,454,718	2,614,556
Environment Trust	1,029,230	101,555
Convention on International Trade in Endangered Species	15,403	6,298
<b>Total Payments</b>	<b>4,502,986</b>	<b>2,781,844</b>
<b>Net Surplus</b>	<b>2,765,956</b>	<b>3,297,308</b>
<b>Add General Ledger Adjustment</b>	<b>75,675</b>	<b>---</b>
Opening Balance as at 1 August	20,776,804	17,479,496
<b>Closing Balance as at 31 July</b>	<b>23,618,435</b>	<b>20,776,804</b>

There was an increase in total receipts of \$1,189,790 or 20% which resulted from increase in receipts from the Naboro Land Fill Trust and Environment Trust.

The was an increase in payments of \$1,721,142 or 62% which resulted from increase in payments for the Naboro Land Fill Trust and Environment Trust.

### 2.4.3 Climate Relocation of Communities Trust Fund Account

The Climate Relocation of Communities Trust Fund Account was established for the planned relocation of communities in Fiji that are adversely affected by climate change. As at 31 July 2024, the account had a balance of \$8.0 million.

Details of Climate Relocation of Communities Trust Fund Account are provided in Tables 2.4 below.

**Table 2.4: Climate Relocation of Communities Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>RECEIPTS</b>		
Climate Relocation Trust Receipts in Bank Account	5,225,196	2,321,712
<b>Total Receipts</b>	<b>5,225,196</b>	<b>2,321,712</b>
<b>PAYMENTS</b>		
Bank fee	62	60
Climate Relocation Trust Payment from Bank Account	250,000	---
<b>Total Payments</b>	<b>250,062</b>	<b>60</b>
<b>Net Surplus</b>	<b>4,975,134</b>	<b>2,321,652</b>
Opening Balance as at 1 August	3,044,087	722,435

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Closing Balance as at 31 July</b>	<b>8,019,221</b>	<b>3,044,087</b>

A sum of \$5.2 million was received into the Trust Fund which included funds received from MFAT towards the Fiji's initiative for community relocation.

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 2.5 Preparation of Draft Agency Financial Statements

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

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

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

Rating	Year-end closing process assessment
Effective	All 6 key processes completed by the due date

### 2.6 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
Effective	No adjustment required

### 2.7 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
Ineffective	Acceptable draft financial statements received after 31 October 2024

### 2.8 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 Provision of Management Comments
🌟 Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
🚫 Ineffective	After 14 days from the date of issue of audited Financial Statement for signing

## Head 3 Office of the Attorney-General

### Roles and Responsibilities

The Attorney-General is the Chief Legal Advisor to Government, whose Permanent Secretary is the Solicitor-General. The Attorney-General’s Chambers seeks to continually review and improve Fijian laws to bring about a more just and secure society. It provides legal services to Government and represents the State in legal proceedings. It also prepares draft laws on request of Cabinet and maintains a publicly accessible register of all written laws.

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## PART A: FINANCIAL INFORMATION

### 3.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$298,672	<b>TOTAL EXPENDITURE</b> \$5.95 MILLION
<b>REVISED BUDGET</b> \$7.23 MILLION	<b>UNUTILISED BUDGET</b> \$1.28 MILLION	

### 3.2 Audit Opinion

The audit of the 2024 accounts of the Office of the Attorney-General resulted in an unmodified audit opinion.

### 3.3 Appropriation Statement – Head 03

The Office incurred expenditure totalling \$5.95 million in 2024 against a revised budget of \$7.23 million, resulting in unutilised budget of \$1.28 million or 18%. A total of \$298,672 in revenue was collected by the Office.

Details of expenditures against the revised budget are provided in Table 3.1.

Table 3.1: Appropriation Statement - Head 3

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	4,386,525	(353,141)	4,033,384	3,342,597	690,787
2	Government Wage Earners	311,424	17,157	328,581	310,689	17,892
3	Travel & Communication	300,000	25,000	325,000	293,693	31,307
4	Maintenance & Operations	529,000	199,984	728,984	608,223	120,761
5	Purchase of Goods & Services	780,805	3,000	783,805	585,575	198,230
6	Operating Grants & Transfers	---	---	---	---	---
7	Special Expenditure	595,000	108,000	703,000	587,374	115,626
	<b>Total Operating Expenditure</b>	<b>6,902,754</b>	<b>---</b>	<b>6,902,754</b>	<b>5,728,151</b>	<b>1,174,603</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
13	Value Added Tax	330,721	---	330,721	225,903	104,818
	<b>TOTAL EXPENDITURE</b>	<b>7,233,475</b>	<b>---</b>	<b>7,233,475</b>	<b>5,954,054</b>	<b>1,279,421</b>

### 3.4 Appropriation Statement – Head 13 Constitutional Offices Commission (COC)

Payments relating to the functioning of the Constitutional Offices Commission are facilitated by the Office of the Attorney-General. The expenditures incurred in 2024 relate to the publication of vacancies for Supervisor of Elections and Commissioner of Fiji Corrections Services.

**Table 3.2: Appropriation Statement - Head 13 Constitutional Offices Commission**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	20,000	---	20,000	19,954	46
	<b>Total Operating Expenditure</b>	<b>20,000</b>	<b>---</b>	<b>20,000</b>	<b>19,954</b>	<b>46</b>
	<b>TOTAL EXPENDITURE</b>	<b>20,000</b>	<b>---</b>	<b>20,000</b>	<b>19,954</b>	<b>46</b>

### 3.5 Appropriation Statement – Head 13 Accountability & Transparency Commission (ATC)

Payments relating to the functioning of the Accountability and Transparency Commission are facilitated by the Office of the Attorney-General. There was no expenditure incurred on the budget allocated for the financial year 2024.

**Table 3.3: Appropriation Statement - Head 13 Accountability & Transparency Commission (ATC)**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	20,000	---	20,000	---	20,000
	<b>Total Operating Expenditure</b>	<b>20,000</b>	<b>---</b>	<b>20,000</b>	<b>---</b>	<b>20,000</b>
	<b>TOTAL EXPENDITURE</b>	<b>20,000</b>	<b>---</b>	<b>20,000</b>	<b>---</b>	<b>20,000</b>

### 3.6 Main Trust Fund Accounts

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Office of the Attorney-General maintains three main trust fund accounts which include the following:

(a) **Attorney-General's Conference Trust Fund Account**

The Trust Fund Account was established for retention of any surplus funds generated from the Annual Attorney-General's Conference. The surplus funds is normally utilised in the subsequent year's conference.

The details of receipts and payments are shown on Table 3.4 below.

**Table 3.4: Attorney-General's Conference Trust Fund**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Participants registration fees for AG's conference	610,400	626,725
Budget allocation from Consolidated Fund	80,000	87,200
<b>Total Receipts</b>	<b>690,400</b>	<b>713,925</b>
<b>Payments</b>		
AG's Conference – Accommodation & Venue	520,435	469,930
AG's Conference – Stationery	18,738	17,753
AG's Conference – Participant Transportation	---	1,400
AG's Conference – Advertising	1,562	2,760
AG's Conference – Incidentals	3,345	2,815
Set Up & IT & Website	49,189	27,816
Band	5,655	5,500
AG's Conference – Speakers Expense	5,328	4,645
AG's Conference – Dinner Decoration & Setup	12,929	12,546
Meal Claims	3,160	3,334
Refund of Registration Fees	11,650	22,550
Uniform Expenses	1,750	2,691
Participant Group Photo & Framing	940	---
Bank Charges	120	163
<b>Total Payments</b>	<b>634,801</b>	<b>573,903</b>
<b>Net Surplus</b>	<b>55,599</b>	<b>140,022</b>
Opening Balance as at 1 August	459,248	319,226
<b>Closing Balance as at 31 July</b>	<b>514,847</b>	<b>459,248</b>

**(b) Laws of Fiji Trust Fund Account**

The Laws of Fiji Trust Fund was established to cover the cost of publishing and printing of the Laws of Fiji and to provide funding for future law revision costs.

The details of receipts and payments are shown on Table 3.5 below.

**Table 3.5: Laws of Fiji Trust Fund**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Interest	921	2,116
<b>Total Receipts</b>	<b>921</b>	<b>2,116</b>
<b>Payments</b>		
Laws of Fiji Book	87,192	---
Withholding Tax	92	170
Bank Charges	64	60
<b>Total Payments</b>	<b>87,348</b>	<b>230</b>
<b>Net (Deficit)/ Surplus</b>	<b>(86,427)</b>	<b>1,886</b>
Opening Balance as at 1 August	433,502	431,616
<b>Closing Balance as at 31 July</b>	<b>347,075</b>	<b>433,502</b>

**(c) Solicitor-General's Trust Fund Account**

The Solicitor General's Trust Fund Account was established to facilitate the payments for court judgements or awards, including payments approved for court costs, out of court settlements and ancillary legal expenses in litigation involving the Government.

The details of receipts and payments are shown on Table 3.6 below.

**Table 3.6: Solicitor-General Trust Fund**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Revenue	285,122	365,911
Interest	2,092	4,062
<b>Total Receipts</b>	<b>287,214</b>	<b>369,973</b>
<b>Payments</b>		
Litigation Payments	305,755	321,705
Withholding Tax and Bank Charges	282	492
<b>Total Payments</b>	<b>306,037</b>	<b>322,197</b>
<b>Net (Deficit)/ Surplus</b>	<b>(18,823)</b>	<b>47,776</b>
Opening Balance as at 1 August	844,180	796,404
<b>Closing Balance as at 31 July</b>	<b>825,357</b>	<b>844,180</b>

**PART B: ASSESSMENT OF FINANCIAL REPORTING****3.7 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 year-end closing process as:

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

### 3.8 Quality of Draft Financial Statements

We assessed the quality of draft financial statements by the impact audit adjustments had on the operating results or net assets. Our assessment of the Office of the Attorney-General was:

Rating	Quality of Draft Financial Statements
Effective	No adjustment required

### 3.9 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
Effective	Acceptable draft financial statements received before 31 October 2024

### 3.10 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 Provision of Management Comments
Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
Ineffective	After 14 days from the date of issue of audited Financial Statement for signing

## Head 04 Ministry of Finance, Strategic Planning, National Development and Statistics

### Roles and Responsibilities

The Ministry of Finance, Strategic Planning, National Development and Statistics is responsible for managing public finances in accordance with the Fijian Constitution and the Financial Management Act 2004.

The Ministry carries out economic analysis and forecasting; manages Government’s national budget, debt and assets; oversees fiscal policy and tax collection; implements financial management reforms; and ensures that Government can procure the goods and services required to maximise services delivered to the Fijian people. The Ministry through its functional units promotes sound management of the Fijian economy through analyses, efficient budgeting and proactive planning.

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## PART A: FINANCIAL INFORMATION

### 4.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$4.56 BILLION	<b>TOTAL EXPENDITURE</b> \$1.55 BILLION
<b>REVISED BUDGET</b> \$1.64 BILLION	<b>UNUTILISED BUDGET</b> \$0.09 BILLION	

The financial information consists of total receipts and expenditures for the following Heads of Appropriation:

- Head 4 – Ministry of Finance, Strategic Planning, National Development and Statistics
- Head 50 – Miscellaneous Services
- Head 51 – Pensions, Gratuities and Compassionate Allowances
- Head 52 – Charges on Account of Public Debt

### 4.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Finance, Strategic Planning, National Development and Statistics resulted in an unmodified audit opinion.

### 4.3 Appropriation Statement-Head 4 Ministry of Finance, Strategic Planning, National Development and Statistics

The Ministry incurred expenditure totalling \$75.31 million against a revised budget of \$85.13 million resulting in unutilised budget of \$9.82 million or 12%. A total of \$4.6 billion in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 4.1 below.

**Table 4.1: Head 4 - Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	15,266,624	(278,135)	14,988,489	10,908,531	4,079,958
2	Government Wage Earners	536,556	144,011	680,567	603,474	77,093
3	Travel & Communication	701,000	102,968	803,968	721,898	82,070
4	Maintenance & Operations	1,555,500	11,650	1,567,150	1,382,278	184,872
5	Purchase of Goods & Services	2,731,205	98,959	2,830,164	2,364,383	465,781
6	Operating Grants & Transfers	45,559,590	---	45,559,590	45,559,522	68
7	Special Expenditure	5,410,311	(83,186)	5,327,125	4,475,008	852,117
	<b>Total Operating Expenditure</b>	<b>71,760,786</b>	<b>(3,733)</b>	<b>71,757,053</b>	<b>66,015,094</b>	<b>5,741,959</b>

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
9	Capital Purchase	14,405,724	(4,140,000)	10,265,724	7,494,397	2,771,327
	<b>Total Capital Expenditure</b>	<b>14,405,724</b>	<b>(4,140,000)</b>	<b>10,265,724</b>	<b>7,494,397</b>	<b>2,771,327</b>
13	Value Added Tax	3,720,655	(617,268)	3,103,387	1,797,545	1,305,842
	<b>TOTAL EXPENDITURE</b>	<b>89,887,165</b>	<b>(4,761,001)</b>	<b>85,126,164</b>	<b>75,307,036</b>	<b>9,819,128</b>

The major component of the unutilised budget relate to the following:

- SEG 1 - High staff turnover and vacant positions not filled during the year. There were delays in the recruitment process as some vacancies were re-advertised given that there were no suitable candidates, offers being declined or candidates not turning up for the interviews.
- SEG 9 - Delay in the purchase of the FMIS Server due to scoping work. In addition, the actual cost of purchasing the server was lower than the projected cost.

#### 4.4 Appropriation Statement-Head 50 Miscellaneous Service

Funding allocations under Miscellaneous Services is administered by the Ministry of Finance, Strategic Planning, National Development and Statistics. Head 50 provides contingency funding and other common central pools of funds that are available to the Whole of Government. It also includes funding for activities that require scrutiny and monitoring by the Ministry of Finance.

Expenditures totalling \$428.7 million were incurred under Head 50 in 2024 against a revised budget of \$469.2 million resulting in unutilised budget of \$40.5 million or 9%. Details of expenditures against the revised budget are provided in Table 4.2.

**Table 4.2: Head 50 - Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,500,000	(1,400,000)	100,000	---	100,000
3	Travel & Communication	1,856,000	50,000	1,906,000	1,430,291	475,709
5	Purchase of Goods & Services	11,659,068	1,379,726	13,038,794	12,635,264	403,530
6	Operating Grants & Transfers	5,601,113	(185,982)	5,415,131	3,779,815	1,635,316
7	Special Expenditure	98,532,612	82,235,226	180,767,838	169,975,560	10,792,278
	<b>Total Operating Costs</b>	<b>119,148,793</b>	<b>82,078,970</b>	<b>201,227,763</b>	<b>187,820,930</b>	<b>13,406,833</b>
8	Capital Construction	8,000,000	(7,300,000)	700,000	262,791	437,209
9	Capital Purchase	39,164,133	(300,000)	38,864,133	33,038,897	5,825,236
10	Capital Grants & Transfers	270,566,382	(72,430,857)	198,135,525	181,443,972	16,691,553
	<b>Total Capital Expenditure</b>	<b>317,730,515</b>	<b>(80,030,857)</b>	<b>237,699,658</b>	<b>214,745,660</b>	<b>22,953,998</b>
13	Value Added Tax	19,264,681	10,977,265	30,241,946	26,117,148	4,124,798

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	<b>TOTAL EXPENDITURE</b>	<b>456,143,989</b>	<b>13,025,378</b>	<b>469,169,367</b>	<b>428,683,738</b>	<b>40,485,629</b>

The unutilised budget resulted mainly from the following:

- SEG 6 – There were no claims received for Rural Postal Services, thus the budget was unutilised during the year. The late submissions from the South Pacific Exchange (SPSE) for quarterly grants resulted in the delayed disbursement of funds. Furthermore, World Bank Subscription actual cost was lower than the projected costs.
- SEG 7 – There were delays in the release of funds pertaining to the Fiji Cyclone Recovery Program; Private Public Partnership Programs for Housing and Health; Review of Wage Sector, and Miscellaneous Refunds.
- SEG 9 - The reduction on expenses for leased vehicle and the purchase of new vehicles.
- SEG 10 - Non-implementation of programmes, including purchase of shares, non-commercial obligation for EFL, Nadi River Flood Alleviation project, ongoing contingency funds for disaster risk, commercial agriculture incentive, sugar industry foundation and rice development programme resulted in unutilised budget of around \$10 million. Grant to FDB was not released in full given that subsidy payments were processed based on the monthly submissions received from FDB for reimbursements. In addition, Fiji Scholarship Scheme allocation was not released in full as payments are processed based on invoices submitted by Tertiary Scholarship Loans Service. There was also a delay in the setting up of Termite Control Taskforce which delayed the release of funds.

#### 4.5 Appropriation Statement-Head 51 - Pensions, Gratuities and Compassionate Allowance

The Pensions Section manages the computation and payments of various pensions in accordance with the law. These are obligatory payments of the government and are not part of the annual appropriation act. The payments are calculated and paid in accordance with various acts and legislation mainly Pensions Act 1983, Widows and Orphans Pension Act 1914, Parliamentary Retirement Allowance Act 1989.

The Section also processes re-engagement benefits for prison officers, military officers and forest guards and oversees the payments of pensions to Government Pensioners, Ex-Parliamentarians, Ex-Prime Ministers and Presidents, Ex-Chief Justices and Retired Judges, Service Pensioners and the widows and orphans of deceased public officers.

Expenditures totalling \$29.25 million were incurred under Head 51 in 2024 against a revised budget of \$36.54 million resulting in unutilised budget of \$7.29 million or 20%.

Details of expenditures against the revised budget are provided in Table 4.3 below.

**Table 4.3: Head 51- Appropriation Statement for 2024**

SEG	Item	Budge Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
11	Pensions	36,085,800	---	36,085,800	29,188,900	6,896,900
	Gratuities	454,100	---	454,100	66,064	388,036

SEG	Item	Budge Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
<b>TOTAL</b>		<b>36,539,900</b>	<b>---</b>	<b>36,539,900</b>	<b>29,254,964</b>	<b>7,284,936</b>

#### 4.6 Appropriation Statement - Head 52 Charges on Account of Public Debt

Funds allocated under Head 52 - Charges on Account of Public Debt are for the repayments of domestic and overseas loans.

Expenditures totalling \$1.01 billion was incurred under Head 52 in 2024 against a revised budget of \$1.05 billion, resulting in unutilised budget of \$40 million or 4%.

Details of expenditures against the revised budget are provided in Table 4.4 below.

**Table 4.4: Head 52- Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
<b>Finance Charges on Public Debt</b>						
12	Miscellaneous Payment	7,200,000	---	7,200,000	466,276	6,733,724
14	Overseas Loans	347,547,500	---	347,547,500	314,149,335	33,398,165
15	Domestic Loans	698,093,500	---	698,093,500	698,760,120	(666,620)
<b>TOTAL</b>		<b>1,052,841,000</b>	<b>---</b>	<b>1,052,841,000</b>	<b>1,013,375,731</b>	<b>39,465,269</b>

The unutilised budget resulted from the following:

- As set out in Medium-Term Debt Strategy (MTDS) 2024-2026, Treasury bill issuance was reduced in financial year 2024 resulting in lower short term domestic financing than originally budgeted. Thus, the unutilised budget for miscellaneous payment of interest payment on treasury bills.
- Planned project loan drawdowns were not fully utilised during the year due to slower than anticipated project implementation. The planned policy-based concessional financing with Asian Development Bank facility to fund the Fiji Climate Resilience and Sustainable Growth Program were accessed in August 2024.
- In addition, a portion of the external debt portfolio consists of variable rate facilities from multilateral lenders that are transitioning to or subject to Secured Overnight Financing Rate (SOFR). The modest decline in SOFR during the year contributed to lower interest cost on those variable rate borrowings.

#### 4.7 Trust Fund Account

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

The Ministry of Finance maintained and operated eleven main trust fund accounts. Four Trust Fund accounts were transferred during the year to the Office of the Prime Minister and the Ministry of Civil Service as follows:

- Climate Action Trust Fund Account was established to assist the Government to finance programmes, projects and activities that relate to the Paris Agreement and for related matters. This trust fund account with a balance of \$3,987,588 has been transferred to the Office of the Prime Minister.
- Climate Relocation of Communities Trust Fund Account was established for the planned relocation of communities in Fiji that are adversely affected by climate change. This trust fund account with a balance of \$3,044,087 has been transferred to the Office of the Prime Minister.
- ODA Performance and Tenancy Bond Trust Fund Account was established to record tenancy bonds for the occupation of quarters on rent. This trust fund account with a balance of \$383,861 has been transferred to the Ministry of Civil Service.
- Adopt a School Trust Fund Account was established specifically for funds received from donors willing to carry out the rehabilitation of schools. This trust fund account with a balance of \$4,199,609 has been transferred to the Ministry of Civil Service.

The remaining seven Trust Fund Accounts maintained by the Ministry of Finance at year end included the following:

**(a) Performance Bond Trust Fund Account.**

This Trust Fund Account records performance bond received from contractors, in accordance with signed contractual agreements, for projects or works above \$50,000. Performance bonds are refunded to contractors on completion of projects/works.

**Table 4.5: Performance Bond Trust Fund Account -Statement of Receipts and Payments.**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>5,051,627</b>	<b>5,030,860</b>
<b>Receipts</b>		
Tender Deposit	5,000	36,500
Performance Bond	161,758	198,780
Interest	35	425
<b>Total Receipts</b>	<b>166,793</b>	<b>235,705</b>
<b>Payments</b>		
Tender and Performance Bond Refunds	376,346	214,910
Bank charges	3	28
<b>Total Payments</b>	<b>376,349</b>	<b>214,938</b>
<b>Closing Balance as at 31 July</b>	<b>4,842,071</b>	<b>5,051,627</b>

**(b) Public Private Partnership (PPP) Trust Fund Account.**

The Public Private Partnership Trust Fund Account was established to facilitate the upgrade, development, operations and maintenance of the Lautoka and Ba hospitals.

The partnership is funded through a budget allocation in Head 50.

The amounts recorded as trust receipts comprise of budgetary transfers from Government into the Trust Fund account.

The amounts recorded as trust payments represent disbursements made from the PPP Trust Account to the concessionaire.

**Table 4.6: Public Private Partnership Trust Fund Account -Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>859,587</b>	<b>---</b>
<b>Receipts</b>		
Transfer	147,197,915	71,477,234
Interest	2,212	1,681
<b>Total Receipts</b>	<b>147,200,127</b>	<b>71,478,915</b>
<b>Payments</b>		
Bank charges	321	209
Transfer	111,072,665	70,619,119
<b>Total Payments</b>	<b>111,072,986</b>	<b>70,619,328</b>
<b>Closing Balance as at 31 July</b>	<b>36,986,728</b>	<b>859,587</b>

**(c) Tropical Cyclone Yasa Fund Account**

Tropical Cyclone Yasa Trust Fund was established for donations received from various donors towards the Cyclone Yasa rehabilitation. Donations were directly deposited into the respective bank accounts.

**Table 4.7: Tropical Cyclone Yasa Trust Fund Account -Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>255,323</b>	<b>255,147</b>
<b>Receipts</b>		
Donations	100	170
Interest	10	6
<b>Total Receipts</b>	<b>110</b>	<b>176</b>
<b>Payments</b>		
Bank charges	1	---
<b>Total Payments</b>	<b>1</b>	<b>---</b>
<b>Closing Balance as at 31 July</b>	<b>255,432</b>	<b>255,323</b>

**(d) Government Tuna Stabilisation Trust Fund Account**

The Trust Fund was created to raise the financial capacity of locally owned fishing companies to enable them to compete with foreign fishing companies.

**Table 4.8: Government Tuna Stabilisation Trust Fund Account -Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>363,898</b>	<b>363,958</b>
<b>Receipts</b>		

Description	31 July 2024 (\$)	31 July 2023 (\$)
Interest	---	---
<b>Total Receipts</b>	---	---
<b>Payments</b>		
Bank Charges	60	60
<b>Total Payments</b>	<b>60</b>	<b>60</b>
<b>Closing Balance as at 31 July</b>	<b>363,838</b>	<b>363,898</b>

(e) **Miscellaneous Fund and Others Trust Fund Account.**

The trust fund account was established following a Cabinet decision on “Effective management of trust monies – FIN 60/16” CP (09)72 of 16/06/09. Cabinet approved that the surplus funds in various Agency trust fund bank accounts be transferred into a Consolidated Trust Fund account.

**Table 4.9: Miscellaneous Trust Fund Account v Other Trust Fund Account -Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>9,537,812</b>	<b>9,528,280</b>
<b>Receipts</b>		
Interest	9,527	9,532
<b>Total Receipts</b>	<b>9,527</b>	<b>9,532</b>
<b>Closing Balance as at 31 July</b>	<b>9,547,339</b>	<b>9,537,812</b>

(f) **Accident Compensation Trust Fund Account.**

This trust fund account was established for the payment of compensation for personal injury and death as a result of an accident in Fiji arising out of and in the course of employment and accidents occurring on any school premises.

A total of \$21.7 million was received from the Motor Vehicle Accident Levy which is paid by motor vehicle owners and 40% of the 1% Fiji National University Levy (FNU Levy) which is paid by employers while \$20.7 million was paid as accident compensation to the beneficiaries in 2024.

Claims submitted by claimants are first lodged with the Accident Compensation Commission Fiji (ACCF) for verification. Once the claims have been approved, a memorandum is forwarded to the Ministry of Finance requesting the release of funds from the Accident Compensation Trust Fund Account to the respective approved claimants.

**Table 4.10: Accident Compensation Trust Fund Account -Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>25,107,803</b>	<b>28,186,893</b>
<b>Receipts</b>		
ACF Proceeds	21,696,088	15,837,756
Interest	57,651	132,531
<b>Total Receipts</b>	<b>21,753,739</b>	<b>15,970,287</b>

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Payments</b>		
ACF Payments	20,670,000	19,035,900
Bank charges	5,941	13,477
<b>Total Payments</b>	<b>20,675,941</b>	<b>19,049,377</b>
<b>Closing Balance as at 31 July</b>	<b>26,185,601</b>	<b>25,107,803</b>

## (g) General Practitioners (GP) Expansion Fund

This trust fund account was established to provide financial assistance to General Practitioners to expand their services into the disadvantaged communities. The GP Expansion Programme is budgeted for in the Budget Estimate and the funds are disbursed from Head 50 to the Trust Fund Account. General Practitioners, Dental Practitioners and Private Medical Laboratories are the recipients of the trust payments.

Table 4.11: GP Expansion Program Trust Fund Account -Statement of Receipts and Payments

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>27,834,999</b>	<b>28,255,852</b>
<b>Receipts</b>		
GP Proceeds	13,122,484	13,267,027
Interest	155,543	92,118
<b>Total Receipts</b>	<b>13,278,027</b>	<b>13,359,145</b>
<b>Payments</b>		
Bank charges	16,045	9,930
Transfers	3,278,593	13,770,068
<b>Total Payments</b>	<b>3,294,638</b>	<b>13,779,998</b>
<b>Closing Balance as at 31 July</b>	<b>37,818,388</b>	<b>27,834,999</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 4.8 Preparation of Draft 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 the information received, we have assessed the year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	5 of the 8 key processes completed by the due date

### 4.9 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
🌿 Effective	No adjustment required

### 4.10 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
🌿 Effective	Acceptable draft financial statements received on 31 October 2024

### 4.11 Timeliness of Provision of Management Comments and Financial Statements for Signing

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

Accordingly, we have assessed timeliness as:

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

Rating	Timeliness of Signing Audited Financial Statements
Effective	Within 14 days from the date of issue of Financial Statements for signing

## Head 5 **Ministry of iTaukei Affairs, Culture, Heritage and Arts**

### **Roles and Responsibilities**

The Ministry of iTaukei Affairs, Culture, Heritage and Arts is responsible for good governance and wellbeing of the *i-Taukei* which includes the preservation of the *i-Taukei* culture. It is also responsible for *i-Taukei* land administration to *i-Taukei*. The legal framework that covers the operations of this Ministry are the *i-Taukei* Affairs Act, the *i-Taukei* Lands Act, the *i-Taukei* Land Trust Act and the *i-Taukei* Trust Fund Act.

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## PART A: FINANCIAL INFORMATION

### 5.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$68,791	<b>TOTAL EXPENDITURE</b> \$33.14 MILLION
<b>REVISED BUDGET</b> \$36.99 MILLION	<b>UNUTILISED BUDGET</b> \$3.85 MILLION	

### 5.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of iTaukei Affairs, Culture, Heritage and Arts resulted in an unmodified audit opinion. However, attention was drawn to the following:

The Appropriation Statement indicated that Capital Expenditure had unutilised budget of \$1.48 million or 20% of the revised budget for the year ended 31 July 2024.

### 5.3 Appropriation Statement

The Ministry incurred expenditures totalling \$33.14 million against a revised budget of \$36.99 million resulting in unutilised budget of \$3.85 million or 10%. A total of \$68,791 in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 5.1.

**Table 5.1: Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	4,288,838	(282,983)	4,005,855	3,654,321	351,534
2	Government Wage Earners	320,648	77,333	397,981	357,768	40,213
3	Travel & Communication	218,500	194,348	412,848	360,181	52,667
4	Maintenance & Operations	511,000	37,393	548,393	463,546	84,847
5	Purchase of Goods & Services	234,618	321,609	556,227	502,837	53,390
6	Operating Grants & Transfers	20,104,963	(1,123,620)	18,981,343	18,480,657	500,686
7	Special Expenditure	3,068,178	1,156,561	4,224,739	3,050,496	1,174,243
	<b>Total Operating Expenditure</b>	<b>28,746,745</b>	<b>380,641</b>	<b>29,127,386</b>	<b>26,869,806</b>	<b>2,257,580</b>
9	Capital Purchase	250,000	50,000	300,000	300,000	---
10	Capital Grants & Transfers	9,108,000	(2,060,380)	7,047,620	5,564,437	1,483,183
	<b>Total Capital Expenditure</b>	<b>9,358,000</b>	<b>(2,010,380)</b>	<b>7,347,620</b>	<b>5,864,437</b>	<b>1,483,183</b>
13	Value Added Tax	495,200	29,739	524,939	406,467	118,472
	<b>TOTAL EXPENDITURE</b>	<b>38,599,945</b>	<b>(1,600,000)</b>	<b>36,999,945</b>	<b>33,140,710</b>	<b>3,859,235</b>

The unutilised budget was mainly due to:

- Delay in the finalisation of Operating Partner's Agreement resulted in unutilised budget for Natural Resources Project.
- The budget for Rehabilitation of Levuka World Heritage Structure and iTaukei Land

Development funds were not fully utilised due to implementation challenges such as unfavourable weather conditions and delay in the supply of construction materials.

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 5.4 Preparation of Draft Agency Financial Statements

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

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

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

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

### 5.5 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
Effective	No adjustment required

### 5.6 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
Effective	Acceptable draft financial statements received before 31 October 2024

### 5.7 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 Provision of Management Comments
Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statement for signing

## Head 6 Ministry of Home Affairs and Immigration

### Roles and Responsibilities

The core responsibility of the Ministry is to manage the nation's security, through the formulation and implementation of policy initiatives, programmes and projects on matters of defence, national security, and intelligence, including the provision of an efficient and effective immigration services, ensuring the integrity of Fiji's borders, through the administration and enforcement of relevant laws.

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## PART A: FINANCIAL INFORMATION

### 6.1 Audit Opinion

The audit of the 2024 accounts for the Ministry of Home Affairs and Immigration resulted in a modified audit opinion with emphasis of matter and other matter.

The qualification was based on the inability of the Ministry to provide sufficient appropriate audit evidence to support operating revenue of \$111,397 for Security Industry License Fees recorded in the Statement of Receipts and Expenditure.

In addition, attention was drawn to the following:

- Trust Fund Account – Statement of Receipts and Payments where an unreconciled variance of \$136,069 existed between the FMIS general ledger and the Immigration Bond Trust Fund detailed listings.
- Internal controls were generally found to be weak for revenue and expenditure with respect to delays and/or non-preparation of reconciliation statements, lack of supporting documentation, misallocation of expenditure and non-submission of supporting documentation.
- The Ministry did not maintain inventory and fixed assets registers.

### 6.2 Financial Information

<b>AUDIT OPINION</b> MODIFIED	<b>TOTAL RECEIPTS</b> \$19.50 MILLION	<b>TOTAL EXPENDITURE</b> \$11.60 MILLION
<b>REVISED BUDGET</b> \$14.0 MILLION	<b>UNUTILISED BUDGET</b> \$2.40 MILLION	

### 6.3 Appropriation Statement

The Ministry incurred expenditures totalling \$11.6 million in 2024 against a revised budget of \$14.0 million, resulting in an unutilised budget of \$2.4 million or 17%. A total of \$19.5 million in revenue was collected by the Ministry.

Details of expenditure against the revised budget are provided in Table 6.1.

**Table 6.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	5,020,652	(415,090)	4,605,562	4,063,921	541,641
2	Government Wage Earners	481,295	214,590	695,885	620,465	75,420
3	Travel & Communication	502,000	176,744	678,744	637,134	41,610
4	Maintenance & Operations	824,244	143,747	967,991	896,582	71,409
5	Purchase of Goods & Services	2,439,548	130,009	2,569,557	2,236,463	333,094
6	Operating Grants & Transfers	16,500	---	16,500	11,472	5,028
7	Special Expenditure	1,790,948	1,399,449	3,190,397	2,749,326	441,071
	<b>Total Operating Expenditure</b>	<b>11,075,187</b>	<b>1,649,449</b>	<b>12,724,636</b>	<b>11,215,363</b>	<b>1,509,273</b>
8	Capital Construction	250,000	(250,000)	---	---	---
9	Capital Purchase	321,000	---	321,000	54,699	266,301

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	<b>Total Capital Expenditure</b>	<b>571,000</b>	<b>(250,000)</b>	<b>321,000</b>	<b>54,699</b>	<b>266,301</b>
13	Value Added Tax	750,200	209,917	960,117	332,292	627,825
	<b>TOTAL EXPENDITURE</b>	<b>12,396,387</b>	<b>1,609,366</b>	<b>14,005,753</b>	<b>11,602,354</b>	<b>2,403,399</b>

Significant unutilised budget was largely due to the following:

- Vacant positions not filled and high staff turnover during the year.
- Contractual payments for Passport and Integrated Border Management System (IBMS) annual maintenance were not made.
- Document Management System (DMS) project was not completed and there was delay in the engagement of Independent Review Lead and the Editorial Board responsible to carry out the review of the National Security Defence.
- Delay in data migration work carried out for the passport and the Integrated Border Management System (IBMS).

## 6.4 Trust Fund Account

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

The Fijian Immigration Department operates and maintains one main trust fund account.

### 6.4.1 Immigration Trust Fund Account

The Immigration Security Bond Trust Fund Account was established for the sole purpose of retention of money paid by non-Fiji citizens as security prior to the granting of permits. Bonds are kept with the Department and are refundable to permit holders when they leave the country.

**Table 6.2: Immigration Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>30,003,077</b>	<b>27,850,809</b>
<b>Receipts</b>		
Immigration Bond Received	3,014,244	4,491,806
Interest	69,585	133,837
<b>Total Receipts</b>	<b>3,083,829</b>	<b>4,625,643</b>
<b>Payments</b>		
Immigration Bond Refund	942,117	2,458,751
Bank Charges and Withholding Tax	7,345	14,624
<b>Total Payments</b>	<b>949,462</b>	<b>2,473,375</b>
<b>Closing Balance as at 31 July</b>	<b>32,137,444</b>	<b>30,003,077</b>

## PART B: SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on other significant matters which 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 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.

### MINISTRY OF HOME AFFAIRS

#### 6.5 Records not provided for Security Industry and License Fees

The Registrar shall establish and maintain a register of all security and license holder.<sup>2</sup> The Registrar shall supply to any person requesting the same a copy of any specified entry in register upon payment of the prescribed fee.<sup>3</sup> The Registrar must make an appropriate entry in the register to record the issue, renewal, cancellation and suspension of a security license.<sup>4</sup>

The Ministry of Home Affairs was unable to provide for audit the register for security license holders & listings and journal vouchers for Operating Revenue - "License Security-Industry" amounting to \$111,397. Refer to [Appendix 6.1](#) for details.

The above indicated poor records management in the Ministry. The audit was not able to substantiate the accuracy and completeness of the operating Revenue as the result of the absence of the Security License Holders register

#### Recommendation

**The Ministry should ensure that a register and listing of security license holders is maintained. All journal vouchers and revenue receipts should be properly filed, referenced, and easily retrievable for audit purposes.**

#### Management Comment

*The Security Unit is working on updating the Revenue Record Register for Security License Holders and the Ministry will work on updating the Revenue Register in the next financial year.*

#### 6.6 Anomalies in Payroll Expenditure

Salaries and wages constitute a major portion of the agency's budget. Proper controls of engaging new employees, salary payments and resignations reduce the risk of fraudulent or unauthorised payments,

<sup>2</sup> Security Industry Act 2010, Part 2, Subsection 11 (1)

<sup>3</sup> Security Industry Act 2010, Part 2, Subsection 11 (3)

<sup>4</sup> Security Industry Act 2010, Part 2, Subsection 12 (1)

inaccurate payroll reports and invalid pay rates.<sup>5</sup>

The following anomalies were noted from the review of the payroll records:

#### 6.6.1 Salaries and Wages Reconciliation Statements not prepared on time

The salary reconciliation shall be signed by the *Senior Accounts Officer*, certified by *Director Corporate Service* and endorsed by Permanent Secretary then submit to Ministry of Finance, within one week from the pay date.<sup>6</sup>

The audit noted the following anomalies from the review of the Ministry's salaries and wages reconciliation statements:

- The salaries and wages reconciliation statements were neither signed by the Senior Accounts Officer nor certified by the Director Corporate Service. Instead, the statements were certified by an Assistant Accounts Officer. Refer to [Appendix 6.2.1](#) for details
- Monthly reconciliation statements were not prepared in a timely manner. Refer to [Appendix 6.2.2](#) for details.

Delays in the recruitment of the Senior Accounts Officer and Director of Corporate Service positions prevented regular payroll reconciliations. The delays in the preparation of the reconciliation statements could result in errors, omissions and mispostings not detected and rectified on a timely manner.

#### **Recommendation**

**The Ministry should ensure that the Accounts Section is adequately resourced to perform the accounting functions on a timely manner.**

#### **Agreed Management Actions**

The recommendation by the audit is noted.

- The Ministry confirms that the lack of seniority position in the accounts unit for the 2023-2024 financial has led to the late submission of salary and wages reconciliation. The Ministry has appointed its Senior Accounts Officer in June 2024, Clerical Officer Accounts in February 2025 and Director Corporate Services in April 2025.
- The Accounts Section is now fully staffed to support its operation, and the team will work towards improving the submission of monthly reconciliation reports and the proper documentation of all payment vouchers and payment request.
- The anomalies on the unsigned and uncertified reconciliation report have been discussed with the Accounts Team during the Corporate Services Division meeting. The team will ensure that all reconciliation reports are verified, signed and certified in line with the provisions on the Ministry Finance Manual before it is submitted to the Ministry of Finance.

#### 6.6.2 Documents for Overtime Payments and Other Deductions Not Provided

Management shall be responsible for ensuring that the operational needs of their respective division operations are met by setting, approving and altering work schedules; approving lunch breaks and monitoring work-time related issues to ensure operational efficiency, effectiveness and responsiveness. They are also responsible for supporting and approving employee requests for flexible work hours, where possible. All officers working beyond official working hours when deemed necessary shall seek prior approval from the Permanent Secretary, Defence, National Security and Policing (PSDNS&P). Any approval

<sup>5</sup> Ministry of Defence, National Security and Policing, Finance Manual 2022, Part 4- Introductory Paragraph.

<sup>6</sup> Ministry of Defence, National Security and Policing, Finance Manual 2022, Part 4- Section 4.4.5

for overtime payment is at the discretion of the PSDNS&P.<sup>7</sup>

Different input forms shall be used for various allowances and deductions and for overtime, one off allowances or deductions.<sup>8</sup>

The audit noted significant movement during the year in salary deductions and payment of overtime and allowance from the review of salaries and wages reconciliations. The salary input forms and supporting documentation to support the deductions and payment of overtime and allowances were not provided for audit verifications. Refer to [Appendix 6.2.3](#) for details.

The absence of the records restricts the performance of necessary audit procedures. As a result, the audit could not ascertain whether the payment of overtime and allowances were approved by the Permanent Secretary as stipulated in the Human Resources Manual.

### **Recommendation**

**The Ministry should strengthen its record management to ensure that documentary evidence is properly maintained.**

### **Agreed Management Actions**

The Audit recommendation is noted.

- The Ministry will work towards strengthening its record management to ensure that relevant supporting documents for salary allowance and payment vouchers are maintained.
- The non-provision of supporting documentation for audit verification has been addressed with the accounts Team during the internal Corporate Service Division unit meeting;
- Accounts Team has been reminded of the importance of having all supporting documents for overtime and allowances in order in the staff salary file;
- The Ministry through the Accounts Team will ensure that all salary reconciliations are prepared and submitted in a timely manner as outlined in the Finance Manual 2022.

## **6.7 Inventory and Fixed Asset Register not Maintained**

When inventory items are purchased, Assistant Account Officer (*Salaries*) shall record them in the inventory register. The Assistant Accounts Officer (*Salary*) shall ensure that the register is kept up to date at all times.<sup>9</sup>

All assets acquired with a cost in excess of \$2000, shall be recorded in the asset's module of the FMIS or a fixed assets register for those without the FMIS. The Executive Officer [*Corporate Service*] must ensure that the fixed assets register is kept updated.<sup>10</sup>

The audit noted from the review of sample payment vouchers that assets and inventory amounting to \$34,657 and \$15,625 were not recorded in the Inventory Register or Fixed Asset Register as required by the Ministry's Finance Manual.

The Ministry did not maintain a fixed assets register and an inventory register. Refer to Table 6.3 below for details.

**Table 6.3: Inventory and Fixed Asset Register not Maintained**

<sup>7</sup> Human Resource Manual 2022 – Part 2.1.4

<sup>8</sup> Finance Manual 2022 – Part 4.2.4 and 4.10.6 (iii) and (iv)

<sup>9</sup> Ministry of Defence, National Security and Policing, Finance Manual 2022, Part 7-Section 7.1.2 & 7.1.3

<sup>10</sup> Ministry of Defence, National Security and Policing, Finance Manual 2022, Part 7-Section 9.1.3 & 9.2.2

Date	EFT No.	Unit Cost (\$)	Total Cost (\$)
<b>Assets</b>			
23/05/24	14257	9,130	18,260
17/05/24	14201	3,321	9,963
01/05/24	14131	6,434	6,434
<b>Total</b>			<b>34,657</b>
<b>Inventory</b>			
8/12/23	13694	165	3,300
23/05/24	14236	348	1,044
9/02/24	13838	1,651	1,651
17/05/24	14201	1,926	9,630
<b>Total</b>			<b>15,625</b>

In the absences of the inventory and fixed assets register, the audit could not trace the recording of assets and inventory items which increases the risk of mismanagement and abuse of the Ministry's assets.

### **Recommendation**

**The Ministry should ensure that the inventory and fixed assets register is maintained and kept up to date.**

### **Agreed Management Comments**

The Ministry acknowledges the recommendation of the audit and wishes to respond as follows:

- With the shortage of staff in the Accounts Unit in the last Financial Year (2023 – 2024) these two books were not regularly updated.
- The Ministry will update both of these records books in the current Financial Year (2024- 2025) and have it ready for the next Audit and Board of Survey process.
- The Ministry will also continue to work towards the strengthening of its record management practices and ensure that the inventory and fixed assets register is maintained and kept up to date.

## **6.8 Records not provided for Audit Verification - Recurring**

All Accounting staffs shall be responsible for the safekeeping and proper maintenance of all accounting records of documents.<sup>11</sup>

The Ministry of Home Affairs was unable to provide the following documents for audit:

- Non-Payroll Expenditure - Sample payment vouchers and journal vouchers amounting to \$57,572 and \$258,228 respectively. Refer to [Appendix 6.3.1](#) and [Appendix 6.3.2](#) for details.
- Underline Account Records - Signed reconciliations for all underline accounts (Drawings, Imprest, IDC, RFA, BLC, SLG 84 & SLG 86).
- Governance - Management Meeting Minutes for the 2024 financial year.
- Governance & Administrative Records - Approved Strategic Plan, Tender register and Inventory/ Asset register.

The above indicated poor records management in the Ministry. In the absence of the supporting documents, the accuracy and completeness of the account balances could not be substantiated.

### **Recommendations**

<sup>11</sup> Ministry of Home Affairs, Finance Manual 2022, Section 16.2 Accounting Records

**The Ministry should:**

- **strengthen its record management to ensure that documentary evidence is maintained, properly stored; and**
- **locate all supporting documents for these accounts and ensure that all supporting documents are filed.**

**Current Year Management Comments**

The Ministry of Home Affairs was unable to provide the following documents for audit:

- *Underline Account Records - Signed reconciliations for all underline accounts (Drawings, Imprest, IDC, RFA, BLC, SLG 84 & SLG 86) – corrective measures on the verifications and signatories has been put in place and all current FY underline accounts has been signed and certified. (Drawings, Imprest, IDC, RFA, BLC, SLG 84 & SLG 86)*
- *Governance - Management Meeting Minutes for FY 2024 – For the current Financial Year the Ministry has ensured that the Minutes of Meeting for all the Senior Leadership Team weekly meeting is in order.*
- *Governance & Administrative Records - Approved Strategic Plan, Tender register and Inventory/ Asset register – Strategic Development Plan is currently under review to be aligned to the National Development Plan 2025 – 2029 and National Security Strategy 2025 – 2030. The Ministry does not have any Tender Register; however, the Inventory and Asset register is available with CSD for auditing.*

**Prior Year Agreed Management Comments**

The Ministry has acknowledged the recommendation of the audit and wishes to further respond as follows:

1. *The Ministry will continue to work towards the strengthening of its record management practices and ensure that all official documentary evidence is properly stored and maintained;*
2. *With shortage of staff in Accounts at the time of audit, most of the documents and payment vouchers are not properly filed, which led to some of the vouchers being misplaced. With the appointment of the new Head of Accounts in June, the Ministry has now relooked at its record management system in the accounts unit and updated all documents filling and record;*
3. *The new Head of Accounts has updated the Ministry's pending Drawings Account and salary reconciliations records for our Established Staffs and GWE's it is now in order.*

**MINISTRY OF IMMIGRATION****6.9 Variance between Immigration Bond Trust Fund Listing and FMIS General Ledger – Recurring**

Within five (5) days after the end of each month, the Assistant Accounts Officer shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.<sup>12</sup>

The audit of the Immigration Bond Trust Fund Account revealed unreconciled variance totalling \$136,069 (\$1.2 million for 2023) between the Immigration Bond Trust Fund FMIS general ledger balance and the Immigration Bond Trust Fund Account listing maintained by the Department.

Refer to Table 6.4 below for details.

<sup>12</sup> *Fijian Immigration Department, Finance Manual 2022, Section 13.4.1*

**Table 6.4: Details of Unreconciled Variance-Immigration Trust Fund Account for FY 2024**

Revenue	Bank Account 1 (\$)	Bank Account 2 (\$)	Total (\$)
Amount as per FMIS General Ledger	4,231,613	27,905,831	32,137,444
Amount as per Trust Fund Listing	4,121,076	28,152,437	32,273,513
<b>Variance</b>	<b>110,537</b>	<b>(246,606)</b>	<b>(136,069)</b>

The Trust Fund claimant listing may not have been updated, and this has resulted in the variance noted.

Variances between the two records indicate the existence of errors and omissions and the lack of supervisory checks to ensure that claimants listings are updated in a timely manner.

As a result, the audit was not able to ascertain the accuracy and completeness of the closing balance reflected in the Trust Fund Account.

### **Recommendations**

**The Department should ensure that:**

- **Trust Fund account balance listing is updated as soon as refunds are processed;**
- **the general ledger reconciliations are carried out on a timely manner to detect and rectify errors;**
- **supervisory checks are strengthened.**

### **Current Year Management Comments**

#### Justification

MOI is at the edge of completing the unreconciled variance. Due to lack of manpower and the New FMIS system the current staffs were unable to complete the same.

#### Action Taken

MOI will ensure that the FMIS general ledger and the detailed listing is reconciled by the end of FY 24-25.

#### Strategic Measures

MOI has noted the recommendations and will ensure the Trust Fund Listing and general ledger reconciliations are carried out on a timely manner; Trust Fund Account balance listing is updated as soon as refunds are processed. MOI will strengthen the supervisory checks.

### **Prior Year Agreed Management Comments**

#### Justification

- General Ledger reflects only FY22-23 bond refunds whereas Immigration Bond Trust Fund Account Listing reflects the bond listings from the year claimant listing is maintained.
- Also, contributing factor is that direct deposits from the customers is posted in the FMIS and the application is only receipted once received from the customer. The same is then factored in the claimant listings.

#### Action Taken

- Due to lack of manpower the receipting process was done as per applicant's enquiry and not at the time of payment.
- Department dealing with refund application on daily basis.

#### Strategic Measures

- Bonds as securities are no longer required since November 2023
- Bond refund process awareness on the Department website

## 6.10 Documents Not Provided

The Principal Accounts Officer is responsible for safekeeping and proper maintenance of all accounting records or documents.<sup>13</sup>

The Fiji Immigration Department was unable to provide the following documents for audit verification purposes:

- Revenue Records - Signed Revenue Reconciliation for total revenue of \$19,348,246 as at 31 July 2024.
- Underlying Accounts Records - Payment and Journal Vouchers for Underline Accounts amounting to \$4,099. Refer to [Appendix 6.4.1](#) for details.
- Non-Payroll Expenditure - Sample payment vouchers and journal vouchers amounting to \$918,247. Refer to [Appendix 6.4.2](#) for details.
- Payroll Records - Supporting documents for arrears of salary and overtime payments amounting to \$68,937. Refer to [Appendix 6.4.3](#) for details.
- Governance – Approved Risk Management Policy and Management Meeting Minutes for FY 2024.

In the absence of records and other related documents, there is limitation of scope as audit cannot ascertain the accuracy, completeness and existence of the balances recorded in the general ledger.

### Recommendation

**The Department should strengthen its records management to ensure that all accounting records are properly maintained and are presented for audit upon request.**

### Agreed Management Comments

#### Justifications

- Revenue Records - MOI is in the process of completing the unreconciled variance. Due to lack of manpower and the New FMIS system the current staffs were unable to complete the same.
- Underlying Accounts Records:
  - 04DB01 JV is for MOF which is not kept by Ministry of Immigration (MOI). The same is reflected in CFA statement which is revenue for the Ministry. The same is CR to respective Ministries allocation.
- Non-Payroll Records:
  - 68014 - MOI is still in process of locating the Journal Voucher due to relocation of the building
  - 68012 - MOI is still in process of locating the Journal Voucher due to relocation of the building
  - 68010 - MOI is still in process of locating the Journal Voucher due to relocation of the building
  - 68011 - MOI is still in process of locating the Journal Voucher due to relocation of the building
  - AP2922 - MOI is still in process of locating the Payment Voucher due to relocation of the building
- Payroll Records:
  - Signed copies of contracts from 2018 till 01/08/2023 - MOI is in process of compiling the documents.
  - List of any acting appointments or increment during the period from 2018 till 01/08/2023 - MOI is in process of compiling the documents.
  - Evaluation report & assessment results and initial salary appointment rate in 2018 - MOI is in process of compiling the documents.
  - Salary files and supporting documents not provided to determine overtime payments - MOI is still in process of locating the Pay 23/23 Salary files and supporting documents due to relocation of the building.
- Governance: MOI is in process of compiling the documents the same will be submitted through email.

<sup>13</sup> Fiji Immigration Department, Finance Manual 2022, Part 17-Section 17.2.1

**Action Taken**

- Revenue Records-MOI ensures reconciliation is performed.
- Underlying Accounts Records - OAG to liaise with MOF for the JV's.
- Non-Payroll Records

**Strategic Measures**

- Revenue Records - Reconciliation is performed and supervisory checks done.
- o4DU11 - JV is for MOF which is not kept by Ministry of Immigration (MOI). The same is reflected in CFA statement which is revenue for the Ministry. The same is CR to respective Ministries allocation.

**6.11 Internal Control Anomalies for Expenditure**

The Principal Accounts Officer is responsible for safekeeping and proper maintenance of all accounting records or documents.<sup>14</sup>

The Principal Accounts Officer must not certify a payment as correct unless they are satisfied that the expenditure account it is charged to is correct.<sup>15</sup>

The review of the procurement and payment process revealed the following anomalies:

- Lack of supporting documentations attached to the payment vouchers to support the payments totalling \$10,390. Refer to Table 6.5 for details.
- A total of \$152,189 was charged to the Safehouse Operational Expense allocation (1-06201-70999-040711) in the FMIS general ledger. The audit noted that the contractual agreement with the security company for which the security expenses were paid had expired on 1 June 2022.
- VAT on revenue were incorrectly posted to the Standard Expenditure Group 13 allocation in the FMIS general ledger allocation. Consequently, SEG 13 (1-06201-70999-130101) had a credit balance of \$32,162 in the FMIS general ledger. Refer to Table 6.6 for details

**Table 6.5: Lack of Supporting Documents**

Date	Payment ID	Amount (\$)	Comments
03/01/24	31132	5,195	Competitive quotes not obtained and no evidence whether the vendor was recommended tender approval of contract of service supplier attached.
28/5/24	32258	5,195	Competitive quotes not obtained and no evidence whether the vendor was recommended tender approval of contract of service supplier attached.
<b>Total</b>		<b>10,390</b>	

**Table 6.6: Credit Balances posted to SEG 13**

Period	Payment ID	Amount (\$)
03/2024	AP1363	(40,744)
03/2024	AP2922	(3,124)
03/2024	AP2981	(20,268)
04/2024	AP5381	(224)
04/2024	AP5808	(14,837)
08/2024	AP5779	(105,036)
08/2024	AP5779	(33,410)
08/2024	AP5779	(18,196)

<sup>14</sup> Fiji Immigration Department, Finance Manual 2022, Part 17-Section 17.2, subsection 17.2.1

<sup>15</sup> Fiji Immigration Department, Finance Manual 2022, Part 2- Section 2.8, subsection 2.8.4

Period	Payment ID	Amount (\$)
08/2024	AP5779	(91,678)
09/2024	AP9147	(14,515)
10/2024	AP1839	(74,862)
11/2024	AP	(16,033)
12/2024	AP5561	(67,241)
<b>Total</b>		<b>(500,168)</b>

The above indicated the ineffective internal controls within the Department and that the Ministry did not regularise mis-posting during the closing of accounts period resulting in misstatement of expenditure. Moreover, the contract agreement with the security company, which had expired, does not include the clause on automatic transition from month-to-month status.

### **Recommendations**

The Department should:

- **strengthen supervisory oversight to ensure compliance with the requirements of the Finance Manual;**
- **expedite the renewal of the agreement to avoid disagreements with the security company; and**
- **ensure that any errors or misallocations must be adjusted by way of journal vouchers or regularised during the closing of accounts period.**

### **Agreed Management Comments**

#### Justification

- Competitive quotes not obtained and no evidence whether the vendor was recommended tender approval of contract of service supplier attached - MOI is still in process of locating the recommended tender approval of contract of service supplier.
- A total of \$152,189 was charged to the Safehouse Operational Expense allocation (1-06201-70999-040711) in the FMIS general ledger. The audit noted that the contractual agreement with the security company for which the security expenses were determined had expired on 01/06/2022 - The Contract is under review.
- VAT on revenue were incorrectly posted to the Standard Expenditure Group 13 allocation in the FMIS general ledger allocation. Consequently, SEG 13 (1-06201-70999-130101) had a credit balance of \$32,162 in the FMIS general ledger - MOI had a debit balance in June 2024. The GL report extracted from FMIS has a credit balance of \$32,162 in the month of July, 2024. MOI has reconciled Debit and Credit balance and it offsets after which the GL report shows the credit balance of \$32,162 in the month of July, 2024.

## **6.12 Variance in International Border Management System (IBMS) Revenue-Recurring**

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced not only at ministry/department level and/most importantly at whole of government level.<sup>16</sup> Within five working days of the Ministry of Finance issuing the monthly General Ledger Reports, the Clerical Officer Revenue shall reconcile the revenue figures in the report to the Revenue Statement.<sup>17</sup>

The total operating revenue of \$19,504,776 (\$21.7 million for 2023) includes Immigration Department Revenue of \$19,348,426 which is 99.2% of the total operating revenue.

Audit noted a variance of \$1.1 million (\$0.5 million for 2023) between the total operating revenue as per the International Border Management System (IBMS) and the FMIS general ledger.

Refer to Table 6.7 below for details.

<sup>16</sup> *Fijian Immigration Department, Finance Manual 2022, Section 15.2, Page 80, Reconciliation*

<sup>17</sup> *Fijian Immigration Department, Finance Manual 2022, Section 4.5.15*

**Table 6.7: Variance between IBMS and FMIS GL Operating Revenue for FY 2024**

Revenue	Total (\$)
Amount as per FMIS GL (A)	19,348,426
Amount as per IBMS Report (B)	18,243,314
<b>Variance (A-B)</b>	<b>1,105,112</b>

In the absence of the requirement in the Department's Finance Manual to perform revenue reconciliation between the FMIS general ledger and IBMS report, the variance has not been reconciled. Revenue reconciliations have been requested and clarification from client is yet to be received

### **Recommendations**

The Department should ensure that:

- the Finance Manual is updated and include the reconciliation between the International Border Management System (IBMS) system and the FMIS General Ledger on a monthly basis;
- IBMS revenue report is reconciled to FMIS General Ledger on a monthly basis and rectify errors in a timely manner;
- the reconciliations are signed off by preparer and reviewer.

### **Current Year Management Comments**

#### Action Taken

MOI ensures reconciliation is performed

### **Prior Year Agreed Management Comments**

#### Justification

- i. The variance highlighted in the DML only includes foreign mission revenue for passport allocation whereas the department is collecting all categories of revenue.
- ii. FMIS Captures fees refund, revenue received from foreign mission.
- iii. Additionally, IBMS captures the data on real time so refund of revenue received from foreign mission, direct deposit, as such IBMS and FMIS will always have a variance. (IBMS and FMIS does not record same revenue items.)

#### Action Taken

- i. The Department's Finance manual is silent on revenue reconciliation, it only requires Bank Clearance (BLC)
- ii. The monthly reconciliation by each revenue type and variance between IBMS and FMIS was not conducted due to lack of manpower.
- iii. The department managed to conduct the reconciliation from August 2022 to February 2023 and is currently working on March to July 2023.

#### Strategic Measures

- i. The Accounts section will ensure that revenue reconciliation is conducted to rectify the variance.
- ii. Systematic revenue reconciliation on a daily/monthly basis is highly recommended. (Current reconciliation process requires lot of manpower and time).

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 6.13 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.

The following summarises the assessment of the year end closing process for the Ministry of Home Affairs and Immigration.

#### **MINISTRY OF HOME AFFAIRS**

Key Focus Areas	Achievement	Key Focus Areas	Achievement
Cancellation of unprocessed purchase orders by 08 July 2024	✓	Closing date for journal adjustments by 15 August 2024	✗
Retirement of Imprest by 10 July 2024	N/A	Processing of virements by 16 August 2024	✓
Processing of payments by 24 July 2024	✓	Submission of arrears of revenue return by 23 August 2024	✗
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 closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	Four of seven key processes were completed by the due dates

#### **FIJIAN IMMIGRATION DEPARTMENT**

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 year-end closing process as:

Rating	Year-end closing process assessment
🌿 Effective	All of the seven applicable key processes were completed by the due dates

### 6.14 Quality of Draft Financial Statements by Entities

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

Rating	Quality of Draft Financial Statements
✖ Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

### 6.15 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
✖ Ineffective	Acceptable draft financial statements received after 31 October 2024

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
✔ Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
✔ Effective	Within 14 days from the date of issue of Financial Statement for signing

**APPENDIX 6.1: JOURNAL VOUCHERS NOT PROVIDED FOR OPERATING REVENUE**

JV No	Period/ Date	Allocation	Amount (\$)
JV6197	01/2024	1-06101-06101-230417	(849)
JV7211	02/2024	1-06101-06101-230417	(435)
JV6195	06/2024	1-06101-06101-230417	(1,401)
04DU11	07/2024	1-06101-06101-230417	(89,033)
04B113	08/2024	1-06101-06101-230417	(860)
04B114	08/2024	1-06101-06101-230417	(284)
04B110	08/2024	1-06101-06101-230417	(284)
04B118	09/2024	1-06101-06101-230417	(4,040)
04B132	09/2024	1-06101-06101-230417	(976)
04B129	09/2024	1-06101-06101-230417	(475)
04B132	09/2024	1-06101-06101-230417	(474)
04B135	09/2024	1-06101-06101-230417	(346)
04B139	10/2024	1-06101-06101-230417	(474)
04B143	10/2024	1-06101-06101-230417	(429)
04B147	10/2024	1-06101-06101-230417	(515)
04B148	10/2024	1-06101-06101-230417	(474)
04B138	10/2024	1-06101-06101-230417	(393)
04B154	11/2024	1-06101-06101-230417	(474)
04B159	11/2024	1-06101-06101-230417	(4,520)
04B158	11/2024	1-06101-06101-230417	(332)
04B176	12/2024	1-06101-06101-230417	(500)
04B179	12/2024	1-06101-06101-230417	(541)
04B179	12/2024	1-06101-06101-230417	(591)
04B182	12/2024	1-06101-06101-230417	(391)
04B183	12/2024	1-06101-06101-230417	(591)
04DU09	12/2024	1-06101-06101-230417	(474)
04W72	12/2024	1-06101-06101-230417	(400)
04W77	12/2024	1-06101-06101-230417	(400)
04B174	12/2024	1-06101-06101-230417	(441)
<b>Total</b>			<b>(111,397)</b>

**APPENDIX 6.2: ANOMALIES IN PAYROLL EXPENDITURE****Appendix 6.2.1: Inadequate review of salary and wages reconciliations**

Pay No.	Closing Balance as per Salaries Reconciliation (\$)	Prepared by	Checked by	Certified by
16/2023	30,848.89	AAO Salaries	Not Stated	AAO Payments
17/2023	30,419.72	AAO Salaries	Not Stated	AAO Payments
18/2023	31,113.87	AAO Salaries	Not Stated	AAO Payments
19/2023	29,802.47	AAO Salaries	Not Stated	AAO Payments
20/2023	35,633.02	AAO Salaries	Not Stated	AAO Payments
21/2023	32,394.84	AAO Salaries	Not Stated	AAO Payments
22/2023	37,189.46	AAO Salaries	Not Stated	AAO Payments
23/2023	32,701.09	AAO Salaries	Not Stated	AAO Payments
24/2023	31,391.09	AAO Salaries	Not Stated	AAO Payments
25/2023	36,879.41	AAO Salaries	Not Stated	AAO Payments
26/2023	34,116.96	AAO Salaries	Not Stated	AAO Payments
01/2024	36,028.99	AAO Salaries	Not Stated	AAO Payments
02/2024	38,171.74	AAO Salaries	Not Stated	AAO Payments
03/2024	32,421.92	Not Stated	Not Stated	AAO Payments
04/2024	37,254.28	AAO Salaries	Not Stated	AAO Payments
05/2024	37,626.04	AAO Salaries	Not Stated	AAO Payments
06/2024	33,047.87	AAO Salaries	Not Stated	AAO Payments
07/2024	37,073.40	AAO Salaries	Not Stated	AAO Payments
08/2024	35,290.67	AAO Salaries	Not Stated	AAO Payments
09/2024	44,974.95	AAO Salaries	Not Stated	AAO Payments
10/2024	50,680.49	AAO Salaries	Not Stated	AAO Payments
11/2024	31,768.69	AAO Salaries	Not Stated	AAO Payments
12/2024	31,445.56	AAO Salaries	Not Stated	AAO Payments
13/2024	52,181.90	AAO Salaries	Not Stated	AAO Payments
14/2024	38,280.05	AAO Salaries	Not Stated	AAO Payments
15/2024	43,339.40	AAO Salaries	Not Stated	AAO Payments

Pay No.	Closing Balance as per Wages Reconciliation (\$)	Prepared by	Checked by	Certified by
32/2023	4,477.21	AAO Salaries	Not stated	Not Stated
33/2023	6,208.84	AAO Salaries	Not stated	Not Stated
34/2023	14,617.60	AAO Salaries	Not stated	Not Stated
35/2023	5,297.71	AAO Salaries	Not stated	Not Stated
36/2023	5,459.04	AAO Salaries	Not stated	Not Stated
37/2023	5,163.94	AAO Salaries	Not stated	Not Stated
38/2023	5,542.23	AAO Salaries	Not stated	Not Stated
39/2023	5,213.04	AAO Salaries	Not stated	Not Stated
40/2023	5,174.16	AAO Salaries	Not stated	Not Stated
41/2023	6,942.51	AAO Salaries	Not stated	Not Stated
42/2023	7,286.43	AAO Salaries	Not stated	Not Stated
43/2023	5,155.04	AAO Salaries	Not stated	Not Stated
44/2023	5,112.80	AAO Salaries	Not stated	Not Stated
45/2023	6,686.85	AAO Salaries	Not stated	Not Stated
46/2023	6,047.23	AAO Salaries	Not stated	Not Stated
47/2023	7,683.22	AAO Salaries	Not stated	Not Stated
48/2023	5,661.35	AAO Salaries	Not stated	Not Stated
49/2023	5,249.71	AAO Salaries	Not stated	Not Stated
50/2023	4,188.69	AAO Salaries	Not stated	Not Stated
51/2023	5,367.25	AAO Salaries	Not stated	Not Stated
52/2023	6,082.80	AAO Salaries	Not stated	Not Stated
53/2023	6,328.84	AAO Salaries	Not stated	Not Stated

Pay No.	Closing Balance as per Wages Reconciliation (\$)	Prepared by	Checked by	Certified by
01/2024	5,605.55	AAO Salaries	AAO Payments	Not Stated
02/2024	4,474.61	AAO Salaries	AAO Payments	Not Stated
03/2024	5,414.64	AAO Salaries	AAO Payments	Not Stated
04/2024	6,397.96	AAO Salaries	AAO Payments	Not Stated
05/2024	4,623.62	AAO Salaries	AAO Payments	Not Stated
06/2024	5,186.43	AAO Salaries	AAO Payments	Not Stated
07/2024	6,034.80	AAO Salaries	AAO Payments	Not Stated
08/2024	5,112.96	AAO Salaries	AAO Payments	Not Stated
09/2024	5,088.57	AAO Salaries	AAO Payments	Not Stated
10/2024	5,901.17	AAO Salaries	AAO Payments	Not Stated
11/2024	6,232.03	AAO Salaries	AAO Payments	Not Stated
12/2024	5,442.83	AAO Salaries	AAO Payments	Not Stated
13/2024	4,902.57	AAO Salaries	AAO Payments	Not Stated
14/2024	8,829.88	AAO Salaries	AAO Payments	Not Stated
15/2024	6,750.23	AAO Salaries	AAO Payments	Not Stated
16/2024	7,115.69	AAO Salaries	AAO Payments	Not Stated
17/2024	6,742.78	AAO Salaries	AAO Payments	Not Stated

### Appendix 6.2.2: Delay in preparation of salary and wages reconciliations

Pay No.	Closing Balance as per Salaries Reconciliation (\$)	Date Prepared	Date Checked	Date Certified
16/2023	30,848.89	23/08/23	Not Stated	23/08/23
17/2023	30,419.72	23/08/23	Not Stated	23/08/23
18/2023	31,113.87	06/12/23	Not Stated	06/12/23
19/2023	29,802.47	23/08/23	Not Stated	23/08/23
20/2023	35,633.02	03/04/24	Not Stated	03/04/24
21/2023	32,394.84	03/04/24	Not Stated	03/04/24
22/2023	37,189.46	03/04/24	Not Stated	03/04/24
23/2023	32,701.09	03/04/24	Not Stated	03/04/24
24/2023	31,391.09	03/04/24	Not Stated	03/04/24
25/2023	36,879.41	03/04/24	Not Stated	03/04/24
26/2023	34,116.96	03/04/24	Not Stated	03/04/24
01/2024	36,028.99	03/04/24	Not Stated	03/04/24
02/2024	38,171.74	03/04/24	Not Stated	03/04/24
03/2024	32,421.92	None	Not Stated	03/04/24
04/2024	37,254.28	03/04/24	Not Stated	03/04/24
05/2024	37,626.04	03/04/24	Not Stated	03/04/24
06/2024	33,047.87	03/04/24	Not Stated	03/04/24
07/2024	37,073.40	03/04/24	Not Stated	03/04/24
08/2024	35,290.67	03/04/24	Not Stated	03/04/24
09/2024	44,974.95	03/04/24	Not Stated	03/04/24
10/2024	50,680.49	03/04/24	Not Stated	03/04/24
11/2024	31,768.69	03/04/24	Not Stated	03/04/24
12/2024	31,445.56	03/04/24	Not Stated	03/04/24
13/2024	52,181.90	03/04/24	Not Stated	03/04/24
14/2024	38,280.05	03/04/24	Not Stated	03/04/24
15/2024	43,339.40	03/04/24	Not Stated	03/04/24

Pay No.	Closing Balance as per Wages Reconciliation (\$)	Date Prepared	Date Checked	Date Certified
32/2023	4,477.21	22/08/23	Not stated	Not Stated
33/2023	6,208.84	22/08/23	Not stated	Not Stated

Pay No.	Closing Balance as per Wages Reconciliation (\$)	Date Prepared	Date Checked	Date Certified
34/2023	14,617.60	22/08/23	Not stated	Not Stated
35/2023	5,297.71	04/09/23	Not stated	Not Stated
36/2023	5,459.04	04/09/23	Not stated	Not Stated
37/2023	5,163.94	29/09/23	Not stated	Not Stated
38/2023	5,542.23	29/09/23	Not stated	Not Stated
39/2023	5,213.04	29/09/23	Not stated	Not Stated
40/2023	5,174.16	28/11/23	Not stated	Not Stated
41/2023	6,942.51	28/11/23	Not stated	Not Stated
42/2023	7,286.43	28/11/23	Not stated	Not Stated
43/2023	5,155.04	28/11/23	Not stated	Not Stated
44/2023	5,112.80	28/11/23	Not stated	Not Stated
45/2023	6,686.85	28/11/23	Not stated	Not Stated
46/2023	6,047.23	28/11/23	Not stated	Not Stated
47/2023	7,683.22	28/11/23	Not stated	Not Stated
48/2023	5,661.35	28/11/23	Not stated	Not Stated
49/2023	5,249.71	28/12/23	Not stated	Not Stated
50/2023	4,188.69	28/12/23	Not stated	Not Stated
51/2023	5,367.25	28/12/23	Not stated	Not Stated
52/2023	6,082.80	28/12/23	Not stated	Not Stated
53/2023	6,328.84	28/12/23	Not stated	Not Stated
01/2024	5,605.55	28/12/23	28/12/2023	Not Stated
02/2024	4,474.61	28/12/23	28/12/2023	Not Stated
03/2024	5,414.64	28/12/23	28/12/2023	Not Stated
04/2024	6,397.96	28/12/23	28/12/2023	Not Stated
05/2024	4,623.62	28/12/23	28/12/2023	Not Stated
06/2024	5,186.43	24/02/24	24/2/2024	Not Stated
07/2024	6,034.80	24/02/24	24/2/2024	Not Stated
08/2024	5,112.96	24/02/24	24/2/2024	Not Stated
09/2024	5,088.57	04/04/24	04/04/24	Not Stated
10/2024	5,901.17	04/04/24	04/04/24	Not Stated
11/2024	6,232.03	04/04/24	04/04/24	Not Stated
12/2024	5,442.83	04/04/24	04/04/24	Not Stated
13/2024	4,902.57	04/04/24	04/04/24	Not Stated
14/2024	8,829.88	04/05/24	04/5/2024	Not Stated
15/2024	6,750.23	04/05/24	04/5/2024	Not Stated
16/2024	7,115.69	04/05/24	4/5/2024	Not Stated
17/2024	6,742.78	04/05/24	4/5/2024	Not Stated

### Appendix 6.2.3: Salary and Wages Input Forms and Supporting Documents not Provided

Pay No.	EDP	Amount Paid as per pay run report (\$)	Comments
<b>Established Staffs</b>			
09/2024	97057	1,276.69	Supporting documents not provided to determine overtime payment.
10/2024	58136	6,026.42	Salary and personal files not provided for audit to determine acting allowance.
13/2024	97057	2,603.28	Supporting documents not provided to determine overtime payment.
13/2024	95238	375.50	Supporting documents not provided to determine overtime payment.
<b>Unestablished Staffs</b>			
34/2023	MD736	267.27	Supporting documents not attached to determine deductions and allowances authorisation

Pay No.	EDP	Amount Paid as per pay run report (\$)	Comments
34/2023	AN726	1,316.84	Supporting documents not attached to determine deductions and allowances authorisation. Birth Certificate not attached to determine whether the officer is non-compulsory FNPF contributor. P2P noted that the officer is 50 years old.
34/2023	25432	268.84	Supporting documents not attached and sighted to determine the pay run rates and ordinary hours.
34/2023	OD141	2,587.40	Supporting documents not provided to determine overtime payment.
34/2023	ST6159	2,004.20	Supporting documents not provided to determine overtime payment.
34/2023	AN726	1,220.52	Supporting documents not provided to determine overtime payment.
47/2023	VT517	352.17	Supporting documents not attached to determine deductions and allowances authorisation
47/2023	27010	266.60	No authorisation noted in contract. Contract does not correspond to the P2P details unless there were extension of appointments.
16/2024	HO382	722.18	Supporting documents not attached to determine deductions and allowances authorisation
16/2024	LZ181	597.77	Supporting documents not attached to determine deductions and allowances authorisation

### APPENDIX 6.3: RECORDS NOT PROVIDED FOR AUDIT VERIFICATION

#### Appendix 6.3.1: Payment Voucher not provided for Non-Payroll Expenditure

Payment ID	Period/Date	Allocation	Amount (\$)
13750	19/01/2024	1-06101-06101-030101	1,197
AP1149	06/2024	1-06101-06101-030301	195
13446	09/10/2023	1-06101-06101-040216	4,600
13446	09/10/2023	1-06101-06101-040216	(4,600)
14229	21/05/2024	1-06101-06101-040216	12,854
14186	10/05/2024	1-06101-06101-050311	6,986
14336	14/06/2024	1-06101-06101-050311	8,863
AP5240	04/2024	1-06101-06101-050311	1,965
14244	24/05/2024	1-06101-06101-071150	13,913
14286	29/05/2024	1-06101-06101-071150	8,000
13747	19/01/2024	1-06101-06101-570301	3,599
<b>Total</b>			<b>57,572</b>

#### Appendix 6.3.2: Journal Vouchers not provided for Non-Payroll Expenditure

JV No.	Period/Date	Allocation	Amount (\$)
7207	02/2024	1-06101-06101-030101	2,560
7209	02/2024	1-06101-06101-030101	2,034
7206	02/2024	1-06101-06101-030301	1,528
7208	02/2024	1-06101-06101-030301	2,034
6210	03/2024	1-06101-06101-040216	(4,692)
6204	03/2024	1-06101-06101-040216	2,730
0602	12/2024	1-06101-06101-040216	14,122
6204	03/2024	1-06101-06101-050311	8,450
6207	03/2024	1-06101-06101-050311	(6,573)
6210	03/2024	1-06101-06101-050311	(10,524)
6247	09/2024	1-06101-06101-050311	(6,781)
60003	11/2024	1-06101-06101-050311	(9,948)
60003	11/2024	1-06101-06101-050311	(6,632)
60003	11/2024	1-06101-06101-050311	(6,632)

JV No.	Period/Date	Allocation	Amount (\$)
06DOR	12/2024	1-06101-06101-050311	17,722
6201	02/2024	1-06101-06101-070102	53,500
6202	03/2024	1-06101-06101-070102	28,500
6202	03/2024	1-06101-06101-070102	7,000
6212	04/2024	1-06101-06101-070104	12,000
292AF	08/2024	1-06101-06101-530301	(59,000)
06DOR	12/2024	1-06101-06101-530301	(38,846)
25135	11/2024	1-06101-06101-536101	(9,052)
60025	12/2024	1-06101-06101-536101	12,183
6208	03/2024	1-06101-06101-538101	50,000
6203	02/2024	1-06101-06999-840101	339,250
6208	03/2024	1-06101-06999-840101	(51,000)
6210	03/2024	1-06101-06999-840101	15,216
60027	12/2024	1-06101-06999-840101	33,993
34145	12/2024	1-06201-70999-536101	(134,914)
<b>Total</b>			<b>258,228</b>

#### APPENDIX 6.4: NON-PROVISION OF DOCUMENTS

##### Appendix 6.4.1: Payment Voucher and Journal Vouchers not provided for Underlying Accounts

Payment/JV ID	Period/Date	Allocation	Amount (\$)
04DB01	01/2024	1-06201 70999-538101	12,785
04DB01	01/2024		(4,599)
04DB01	01/2024		(12,785)
AP7417	01/2024	1-06201-70999-537103	500
<b>Total</b>			<b>(4,099)</b>

##### Appendix 6.4.2: Payment Voucher and Journal Vouchers not provided for Expenditure

Payment/JV ID	Period/Date	Allocation	Amount (\$)
68014	12/2024	1-06201-70999-030301	771
68012	12/2024	1-06201-70999-030301	850
68010	12/2024	1-06201-70999-030301	900
68011	12/2024	1-06201-70999-030301	910
AP2922	03/2024	1-06201-70999-040206	2,015
04DU11	07/2024	1-06201-70999-230306	912,801
<b>Total</b>			<b>918,247</b>

##### Appendix 6.4.3: Supporting Documents for Arrears of Salary Payment not provided

Pay No.	EDP No.	Amount (\$)	Documents not Provided
Pay 15/24	49637	14,246	Supporting documents not provided to determine arrears of salary payments: <ul style="list-style-type: none"> <li>Signed copies of contracts from 2018 till 01/08/2023.</li> <li>List of any acting appointments or increment during the period from 2018 till 01/08/2023.</li> </ul>
	64683	11,231	
	94130	8,069	
	9667	8,502	
	96973	7,107	

Pay No.	EDP No.	Amount (\$)	Documents not Provided
	98046	6,980	<ul style="list-style-type: none"> <li>Year to Date (YTD) amount of salary paid during the Financial Year 2018-2023</li> <li>Evaluation report &amp; assessment results and initial salary appointment rate in 2018.</li> </ul>
Pay 30/24	5014	5,050	
	AK 679	5,031	
Pay 23/23	100215	1,226	Salary files and supporting documents not provided to determine overtime payments.
	98551	1,495	
<b>Total</b>		<b>68,937</b>	

## Head 7

# Ministry of Employment, Productivity and Industrial Relations

### Roles and Responsibilities

The Ministry of Employment, Productivity and Industrial Relations promotes the fundamental rights of workers, employers and administers the Employment Relations Act 2007, Health and Safety at Work Act 1996, National Employment Centre Act 2009 and the Workers Compensation Act (Cap. 94).

The Ministry ensures that its international obligations and reporting on the International Labour Organisations (ILO) Conventions are met. It collaborates with its stakeholders and development partners including Asian Productivity Organisation (APO) in administering mandatory legislations that promotes decent work and sustainable employment for all.

The Ministry strives to provide greater pathways for work opportunities for Fijians and will continue to collaborate with all stakeholders to strengthen TVET and Apprenticeship schemes to meet the growing demands in the labour market, support initiatives such as the volunteer and work placement programs.

As part of its commitment towards Fiji’s economic recovery, the Ministry will also continue to strengthen its labour mobility programs through the short-term seasonal work schemes in New Zealand and Australia together with the long-term Pacific Australia Labour Mobility (PALM) Scheme.

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## PART A: FINANCIAL INFORMATION

### 7.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$9,855	<b>TOTAL EXPENDITURE</b> \$7.89 MILLION
<b>REVISED BUDGET</b> \$10.02 MILLION	<b>UNUTILISED BUDGET</b> \$2.13 MILLION	

### 7.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Employment, Productivity and Industrial Relations resulted in an unmodified audit opinion.

### 7.3 Appropriation Statement

The Ministry incurred expenditure totalling \$7.89 million in 2024 against a revised budget of \$10.02 million, resulting in an unutilised budget of \$2.13 million or 21%.

Details of expenditure against the revised budget are provided in Table 7.1.

**Table 7.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	6,510,985	---	6,510,985	5,057,781	1,453,204
2	Government Wage Earners	388,697	---	388,697	317,817	70,880
3	Travel & Communication	404,750	---	404,750	334,244	70,506
4	Maintenance & Operations	507,000	---	507,000	424,059	82,941
5	Purchase of Goods & Services	597,097	71,522	668,619	638,872	29,747
6	Operating Grants & Transfers	100,540	(71,522)	29,018	29,018	---
7	Special Expenditure	941,600	---	941,600	809,801	131,799
	<b>Total Operating Expenditure</b>	<b>9,450,669</b>	<b>---</b>	<b>9,450,669</b>	<b>7,611,592</b>	<b>1,839,077</b>
10	Capital Grants & Transfers	500,000	(300,000)	200,000	83,818	116,182
	<b>Total Capital Expenditure</b>	<b>500,000</b>	<b>(300,000)</b>	<b>200,000</b>	<b>83,818</b>	<b>116,182</b>
13	Value Added Tax	367,580	---	367,580	197,630	169,950
	<b>TOTAL EXPENDITURE</b>	<b>10,318,249</b>	<b>---</b>	<b>10,018,249</b>	<b>7,893,040</b>	<b>2,125,209</b>

The unutilised budget resulted from the following:

- Vacant positions not filled.
- Most expenses for labour mobility programme were funded by the Pacific labour fund.
- Reduction in the number of government cases paid for workmen compensation.

## 7.4 Trust Fund Account

These trust monies relate to receipts and payments related to Work Compensation, Wages dispute, Occupational Health and Safety Consultancy, Occupational Health and Safety Trust, Employment Relations Agency and National Employment Centre.

The Ministry of Employment, Productivity and Industrial Relations operates and maintains the following trust accounts:

### 7.4.1 National Occupational Health & Safety Education and Accident Prevention Trust Fund Account

A liability account responsible for the promotion of OHS and enforcement of the *Health and Safety at Work Act 1996* and its subsidiary legislations. The service provided are to promote and maintain a working environment, which is healthy and safe for both workers and employers and directly contributes to improved productivity.

The Trust Fund Account had an opening balance of \$13.48 million. The Ministry collected revenue totalling \$1.57 million and incurred expenditures totalling \$0.34 million during the year, resulting in a closing balance of \$14.71 million.

**Table 7.2: National Occupational Health & Safety Education and Accident Prevention Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>13,475,704</b>	<b>12,174,847</b>
<b>Receipts</b>		
Business License	78,984	43,595
Liquor License	20,730	23,998
Chemical Registration	2,581	3,670
General Workplace Inspection	233,494	174,985
Hotel License	6,658	12,835
OHS Consultancy	59,371	128,250
OHS Design Vetting	164,192	79,336
OHS Training	146,340	165,649
Penalty Notice	61,606	49,390
Plant Registration	45,883	60,293
Statutory Inspection	420,655	402,584
Workplace Commissioning	26,524	25,559
Workplace Registration	224,557	244,246
Bank Interest	61,323	41,045
FMIS Adjustment	188	1,170
Non-Destructive Training Inspection	16,665	7,919
<b>Total Receipts</b>	<b>1,569,751</b>	<b>1,464,524</b>
<b>Payments</b>		
VAT Payments	177,699	108,083
Withholding Tax	6,132	4,105
Bank Fees	1,591	875
Adjustments	278	3,060
Other Payments	152,735	47,543
<b>Total Payments</b>	<b>338,435</b>	<b>163,666</b>
<b>Closing Balance as at 31 July</b>	<b>14,707,020</b>	<b>13,475,704</b>

## 7.4.2 Employment Relations Agency Trust Fund

A liability account whereby when employment disputes and employment grievances are not resolved by the Mediation Service, the Employment Relations Agency assists employers or their representatives and workers or their representative Trade Union by adjudicating and determining the grievance or dispute between parties. In adjudication proceedings, there is also a requirement on the Agency to provide mediation assistance to the disputing parties when the need arises. In this regard, the Agency assists disputing parties to amicably settle matters, and these settlements are documented as binding awards or decisions.

The Trust Fund Account had an opening balance of \$0.84 million. The Ministry collected revenue totalling \$0.11 million and incurred expenditures totalling \$43,001 during the year, resulting in a closing balance of \$0.91 million.

**Table 7.3: Employment Relations Agency Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>841,980</b>	<b>756,860</b>
<b>Receipts</b>		
LMCC Registration & Training	29,360	19,510
Wage Regulation Order - Photocopying	8	---
Agency Fee	---	1,000
Fixed Penalty	12,450	19,100
Employment Agency Application	63,000	42,000
Fine Costs	---	2,400
Search Fees	14	87
Conference Room	---	100
Amendment Constitution	150	200
Incorrect Deposit	5,202	864
Adjustment	---	101
ERT Training	770	---
<b>Total Receipts</b>	<b>110,954</b>	<b>85,362</b>
<b>Payments</b>		
OHS and Workmen's Compensation Trust	1,890	---
Adjustment Posting	---	200
Payments	38,193	---
Bank Fee	35	42
Adjustment	2,883	---
<b>Total Payments</b>	<b>43,001</b>	<b>242</b>
<b>Closing Balance as at 31 July</b>	<b>909,933</b>	<b>841,980</b>

## 7.4.3 National Employment Centre Trust Fund Account

The National Employment Centre operates under the National Employment Centre Act 2009. The Centre is responsible for providing employment skills training and facilitating employment opportunities for the unemployed. The Centre offers 3 services – Formal Employment Service, Foreign Employment Service and Fiji Volunteer Service. Unemployed persons who register under the National Employment Centre undertake professional counselling, aptitude assessment, life skills training and are trained in the relevant employment skills demanded by the labour market. Moreover, the Centre provides opportunities for the unemployed to do volunteer services, work attachment, and facilitates opportunities for employment both locally and internationally.

There was no activity on this trust account other than bank charges as the Ministry has ceased the operation

of this account and is working on formally closing the account. The Trust Fund Account had an opening balance of \$0.23 million. The Ministry collected revenue totalling \$8,199 and incurred expenditures totalling \$571 during the year, resulting in a closing balance of \$0.2 million.

**Table 7.4: National Employment Centre Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>228,026</b>	<b>228,096</b>
<b>Receipts</b>		
NEC Trust Fund Receipts	8,199	---
<b>Total Receipts</b>	<b>8,199</b>	<b>---</b>
<b>Payments</b>		
Bank Fees	70	70
Transfer to correct Bank Account	501	---
<b>Total Payments</b>	<b>571</b>	<b>70</b>
<b>Closing Balance as at 31 July</b>	<b>235,654</b>	<b>228,026</b>

#### 7.4.4 OHS Consultancy Services, Workmen’s Compensation and Wages Dispute Trust Fund Account

##### (i) Work Compensation Trust Account:

A liability account and the Workmen’s Compensation Act (Cap. 94) places on employers the legal responsibility to compensate workers who sustain injuries, lose their lives or contract diseases in the course of their employment. Compensation is through monetary payments and medical care provisions for the injured workers. Cases involving the death of a worker, monetary payments are given to the dependents of the deceased worker.

With effect from January 1, 2019, the Workmen’s compensation function of the Ministry has been transferred to the Accident Compensation Commission of Fiji (ACCF). The Ministry will continue to process compensation cases prior to January 1, 2019, in accordance with the requirement of the Workmen’s Compensation Act and the Ministry’s standard operating procedures.

##### (ii) Wages Dispute Trust Account:

A liability account and the Wages Unit is responsible for setting minimum wages and other terms and conditions of employment in Fiji’s employment sector. It ensures workers are provided with the stipulated Wages Regulations terms and conditions. Any payment received from employers after dispute on wages is resolved by the Wages Unit and is paid out to the respective employee.

The Trust Fund Account had an opening balance of \$0.69 million. The Ministry collected revenue totalling \$0.38 million and incurred expenditures totalling \$0.4 million during the year, resulting in a closing balance of \$0.72 million.

**Table 7.4: OHS Consultancy Services, Workmen's Compensation and Wages Dispute Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>685,476</b>	<b>692,642</b>
<b>Receipts</b>		
<i>Workmen's Compensation</i>		
Compensation receipts	198,268	275,407
Bank Fees	---	59
FMIS Adjustment	---	18,712
<b>Total</b>	<b>198,268</b>	<b>294,178</b>
<i>Wages Dispute</i>		
Wages dispute receipts	176,969	265,003
FMIS Adjustment	---	---
<b>Total</b>	<b>176,969</b>	<b>265,003</b>
<b>Total Receipts</b>	<b>375,237</b>	<b>559,181</b>
<b>Payments</b>		
<i>Workmen's Compensation</i>		
Compensation payments	186,377	281,555
Bank Fees	294	285
Cheque Payments	-	222
FMIS Adjustment	2,000	21,715
<b>Total</b>	<b>188,671</b>	<b>303,777</b>
<i>Wages Dispute</i>		
Adjustments	-	8,119
Dispute Payments	156,962	254,451
<b>Total</b>	<b>156,962</b>	<b>262,570</b>
<b>Total Payments</b>	<b>345,633</b>	<b>566,347</b>
<b>Closing Balance as at 31 July</b>	<b>715,080</b>	<b>685,476</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 7.5 Preparation of Draft Agency Financial Statements

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

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 closing process as:

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

### 7.6 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
☠ Ineffective	Adjustments on total expenditure. operating results/net assets were more than one percent

### 7.7 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
☠ Ineffective	Acceptable draft financial statements received after 31 October 2024

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
☠ Ineffective	After 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Ineffective	After 14 days from the date of issue of Financial Statements for signing

## Head 8 Ministry of Foreign Affairs

### Roles and Responsibilities

The Ministry of Foreign Affairs is responsible for implementing Fiji's foreign policy by maintaining and strengthening Fiji's diplomatic relations, building bridges of cooperation with development partners, and growing trade with other nations.

The Ministry also provides consular services to Fijians living overseas and helps coordinate high-level meetings and visits to Fiji, including conferences hosted on our shores.

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## PART A: FINANCIAL INFORMATION

### 8.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$1.47 MILLION	<b>TOTAL EXPENDITURE</b> \$34.83 MILLION
<b>REVISED BUDGET</b> \$36.79 MILLION	<b>UNUTILISED BUDGET</b> \$1.96 MILLION	

### 8.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Foreign Affairs resulted in an unmodified audit opinion with an other matter paragraph.

The other matter was on the internal control issues which were generally found to be weak. This was in respect of the lack of supporting documents for expenditures and the double posting to the general ledger and to the revenue listing. These internal control weaknesses, if not addressed promptly, may result in material misstatement and financial losses in the future.

### 8.3 Appropriation Statement

The Ministry incurred expenditures totalling \$34.83 million in 2024 against a revised budget of \$36.79 million, resulting in an unutilised budget of \$1.96 million or 5%. A total of \$1.47 million in revenue was collected by the Ministry.

Details of expenditure against the revised budget are provided in Table 8.1.

Table 8.1: Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	10,635,692	(1,363,540)	9,272,152	9,135,472	136,680
2	Government Wage Earners	2,814,042	483,810	3,297,852	3,165,468	132,384
3	Travel & Communications	1,394,863	1,540,098	2,934,961	2,855,395	79,566
4	Maintenance & Operations	7,143,791	1,719,674	8,863,465	8,687,252	176,213
5	Purchase of Goods & Services	1,255,406	233,832	1,489,238	1,377,384	111,854
6	Operating Grants & Transfers	5,314,083	(471,248)	4,842,835	4,833,233	9,602
7	Special Expenditure	4,680,000	(639,266)	4,040,734	3,379,230	661,504
	<b>Total Operating Expenditure</b>	<b>33,237,877</b>	<b>1,503,360</b>	<b>34,741,237</b>	<b>33,433,434</b>	<b>1,307,803</b>
10	Capital Construction	2,200,000	(500,000)	1,700,000	1,222,737	477,263
	<b>Total Capital Expenditure</b>	<b>2,200,000</b>	<b>(500,000)</b>	<b>1,700,000</b>	<b>1,222,737</b>	<b>477,263</b>
13	Value Added Tax	2,501,120	(2,153,360)	347,760	171,239	176,521
	<b>TOTAL EXPENDITURE</b>	<b>37,938,997</b>	<b>(1,150,000)</b>	<b>36,788,997</b>	<b>34,827,410</b>	<b>1,961,587</b>

Significant unutilised budget was largely due to the following:

- a. Special Expenditure unutilised budget was mainly due to the delay in the setting up of the High Commission in Malaysia. The High Commission was reopened in the 2024/2025 financial year.
- b. Capital Construction unutilised budget was mainly due to the delays as most construction activities took place in the 4<sup>th</sup> quarter of the 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 which 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 the future, if necessary action 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.

### 8.4 Weaknesses in Internal Control for Wellington Mission – Recurring Issue

The Head of Mission shall ensure that all Mission’s monthly acquittals are submitted in a timely manner. A cost-effective internal control system is in place at the Mission to safeguard money and assets as stated in FI 59-1.<sup>18</sup>

Payment vouchers are to be recorded in an Expenditure Record (soft copy and hard copy). At the end of each month, a summary of Mission’s expenditure and commitment statement to be submitted as part of the monthly report. The statement shall be submitted to HQ for inclusion into the monthly management report.<sup>19</sup>

The Revenue Collector shall maintain a revenue cash/cheque register in which he/she shall enter on a daily basis. The monthly Revenue Statement shall be included as part of the Monthly Finance Report.<sup>20</sup>

The Head of Mission shall ensure that Bank Reconciliations must be submitted with relevant acquittals and received by Head Quarters on the 3<sup>rd</sup> of every month.<sup>21</sup>

The audit noted the following anomalies:

- The Revenue Collectors Cash Analysis Sheets and bank lodgements for the months of August, September, October, November, January, February, April, June and July were not provided for audit verifications. Refer to Table 8.4.1 below for details.
- Double posting of Revenue was noted in the FMIS general ledger. Refer to Table 8.4.2 below for details.
- Double posting of Revenue was noted in the Revenue Listing. Refer to Table 8.4.3 below for details.

**Table 8.4.1: Revenue Collectors Cash Analysis & Bank Lodgements not provided**

JV No.	Month	Mission	Amount (\$)
<b>Miscellaneous Revenue</b>			
80023	August	Wellington	41,769
80067	September		59,468
80112	November		54,881
80176	February		52,869

<sup>18</sup> Overseas Missions Finance Guideline 2019 – Section 2.13

<sup>19</sup> Overseas Missions Finance Guideline 2019 – Section 2.13

<sup>20</sup> Overseas Missions Finance Guideline 2019 – Section 4.7 and 4.8

<sup>21</sup> Overseas Missions Finance Guideline 2019 – Section 5.16

JV No.	Month	Mission	Amount (\$)
			52,869
80174	January		25,022
80227	April		57,717
80318	July		43,931
80284	June		34,780
<b>Revenue from Carriage of Freight</b>			
80067	September	Wellington	29,739
80176	February		31,334
	February		31,334
80227	April		35,725
80112	October		28,213
80318	July		19,092
80174	January		13,782
<b>TOTAL</b>			<b>612,525</b>

Table 8.4.2: Double Posting of Revenue

Date	JV No.	Immigration Fees (\$)
<b>Miscellaneous Revenue</b>		
Feb-24	80176	52,869
		52,869
<b>Revenue from Carriage of Freight</b>		
Feb-24	80176	31,334
		31,334
Jul-24	04DU11	20,644
		20,644
		20,644
<b>TOTAL</b>		<b>230,338</b>

Table 8.4.3: Double Posting of Revenue in Revenue Listing

Date	Receipt No.	Other Fees (\$)
<b>Miscellaneous Revenue - JV 080318 - Wellington – July</b>		
11.07.24	368526	51,750
	368526	51,750
<b>NZD (\$)</b>		<b>103,500</b>
<b>FJD (\$)</b>		<b>139,770</b>

Poor records management and inadequate supervision in the Accounts Section of the Mission is a contributing factor to the above findings, hence increases the risk of misappropriation of funds without being detected.

**Recommendations**

The Ministry should ensure that:

- supervision and proper monitoring of accounting responsibilities is improved;
- accounting records are properly maintained as evidence of the utilisation of funds and should be readily available for audit verifications;
- proper records management is established to ensure systematic storage that will allow easy identification and retrieval of documents and records;
- corrective actions are taken to resolve the variances and double postings to the FMIS general ledger.

**Management Comments**

The Ministry through HQ is directly liaising with FHC Wellington in the provision of the documents highlighted and minimising the unresolved issue. In addition, with the current structure of the Mission and the roll out of the new FMIS with FHC Wellington being one of the pilot mission, such issues will be minimised.

With the Finance staff deployed from HQ to Wellington Mission has greatly assisted the team in its financials. HQ is now monitoring all processes and with the new implementation of the FMIS in the Mission, all documentation is expected to be uploaded into the system hence an area where the issue can be addressed soon.

**8.5 Anomalies noted in Underline Accounts**

Reconciliation is an internal control mechanism established to ensure the accuracy of financial reports being produced not only at ministry/department level but most importantly at Whole of Government level.<sup>22</sup> The SAOs, AOs, AAOs must reconcile all accounts to be submitted to the Ministry of Finance within two weeks after the closing of each monthly account.<sup>23</sup>

The audit noted the following anomalies for underlying accounts:

- There was a delay in the preparation of the July reconciliation statements for the Imprest, Drawings, advances (RFA), operating trust accounts and SGL 84. Refer to Table 8.5.1 for details.
- Some monthly reconciliation statements for the underline accounts were not provided for audit verification. Refer to Table 8.5.2 for details.

**Table 8.5.1: Reconciliation Statements Not Prepared on Time**

Account	Month	Delays in number of days
Imprest, Operating Trust [ SLG 86], RFA, Drawings	July	46 days
<b>SLG 84</b>	July	46 days
1. Agency Trade		
2. Pacific SID Climate Change		
3. Purchase of Mission Vehicle		
4. Pacific Islands Forum Funding		

**Table 8.5.2: Reconciliation Statements Not Provided**

Account	Month
Drawings	September 2023
Imprest, Operating Trust [SLG 86], RFA, Drawings, IDC	March 2024
<b>SLG 84</b>	
1. Agency Trade	
2. Pacific SID Climate Change	
3. Purchase of Mission Vehicle	
4. Pacific Islands Forum Funding	
5. Fiji Missions – Abu Dhabi	
6. World Food Programme Funding	
7. USP Funding	

The above indicated the lack of oversight by supervisors. Delays in the preparation of reconciliation may result in errors and omissions not being detected and rectified in a timely manner.

**Recommendation**

<sup>22</sup> Ministry of Foreign Affairs Finance Manual 2019, Section 13.2.4

<sup>23</sup> Ministry of Foreign Affairs Finance Manual 2019, Section 13.2.5

**The Ministry should ensure that reconciliations are to be prepared on time and all documents requested are provided.**

**Management Comments**

*The audit comments are noted.*

*The Reconciliation timeline to Ministry of Finance is on the 15<sup>th</sup> of every new month; to minimise the highlighting of timeline and error audit issues, the Ministry has implemented its own internal timeline of the 10<sup>th</sup> to allow time for accurate checks, balances and meeting MOF timelines.*

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 8.6 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 year-end closing process as:

Rating	Year-end closing process assessment
✗ Ineffective	Two of seven key processes were completed by the due dates

### 8.7 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
✳ Effective	No audit adjustment required

### 8.8 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
✳ Effective	Acceptable draft financial statements received before 31 October 2024

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
✳ Effective	Within 14 days from date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statements for signing

# Head 9 Judicial Department

## Roles and Responsibilities

The Judicial Department is responsible for enhancing the quality of justice in the community by ensuring an effective and accessible Court System as the cornerstone of Justice. The Court System will uphold the principles of impartiality, equality, fairness and access, while protecting the dignity and rights of all members of the community. In line with the Constitution of the Republic of Fiji 2013, Chapter 5, Part A 97 (2), the courts and all judicial officers are subject only to the Constitution of the Republic of Fiji and the law, which they must apply without fear, favour or prejudice.

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## PART A: FINANCIAL INFORMATION

### 9.1 Financial Information

<b>AUDIT OPINION</b> MODIFIED	<b>TOTAL RECEIPTS</b> \$3.1 MILLION	<b>TOTAL EXPENDITURE</b> \$44.57 MILLION
<b>REVISED BUDGET</b> \$50.05 MILLION	<b>UNUTILISED BUDGET</b> \$5.48 MILLION	

### 9.2 Audit Opinion

The audit of the 2024 financial statements of the Judicial Department resulted in a modified audit opinion based on the following qualification:

Except for the Suitors Trust Fund account, there is a significant lapse in the years for which reconciliations of accounts have not been updated together with the absence of the detailed listings of beneficiaries. As such, the accuracy of the closing balance \$49,510,619 disclosed in the Judicial Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2024 could not be determined.

### 9.3 Appropriation Statement

The Department incurred expenditures totalling \$44.57 million against a revised budget of \$50.05 million resulting in unutilised budget of \$5.48 million or 11%. A total of \$3.1 million in revenue was collected by the Department. Details of expenditures against the revised budget are provided in Table 9.1.

Table 9.1: Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	---	---	---	---	---
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	---	---	---	---	---
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	---	---	---	---	---
6	Operating Grants & Transfers	50,048,731	---	50,048,731	44,573,700	5,475,031
7	Special Expenditure	---	---	---	---	---
	<b>Total Operating Expenditure</b>	<b>50,048,731</b>	<b>---</b>	<b>50,048,731</b>	<b>44,573,700</b>	<b>5,475,031</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
13	Value Added Tax	---	---	---	---	---
	<b>TOTAL EXPENDITURE</b>	<b>50,048,731</b>	<b>---</b>	<b>50,048,731</b>	<b>44,573,700</b>	<b>5,475,031</b>

### 9.4 Main Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept

in a separate bank account pending its withdrawal for use. The Judicial Department operates and maintains 3 main trust fund bank accounts which include the Judicial Trust Fund Account, the Judiciary Trust Fund Account and the Legal Practitioners Unit Fund Account.

The Trust Fund Account Statement of Receipts and Payments are now presented separately for transparency purposes and to correctly reflect the trust monies received and paid out of the three separate bank accounts maintained for the various trust funds being administered by the Department.

#### 9.4.1 Judicial Trust Fund Account

The Judicial Trust Account consisted of four trust fund accounts. They are: Suitors Trust, Maintenance Trust, Sundries Trust and Retention for Project Funds.

- 1) The Suitors Trust comprise of monies received from FNPF on behalf of the deceased who did not have nominees for their FNPF accounts, Criminal and Civil cases related matters. The Suitors Trust Account are administered only at Suva, Lautoka and Labasa office.
- 2) The Maintenance Trust comprise of monies received from maintenance payments by defendants to their spouses based on the judgements passed by the Family Law Court. The Maintenance Trust are administered at stations as follows: Suva, Sigatoka, Nadi, Lautoka, Ba/Tavua/Rakiraki, Nausori, Nasinu, Taveuni, Labasa, Savusavu and Levuka.
- 3) The Sundries Trust comprise monies received from Civil and Criminal cases based on court judgements. These includes compensations, LTA fines, cash bail, court fees, bailiff fees and small claims. The Sundries Trusts are administered at stations as follows: Suva, Nasinu, Nausori, Rakiraki/Tavua/Ba, Lautoka, Nadi, Sigatoka, Labasa, Savusavu, Levuka, Navua and Taveuni.
- 4) The Deposit Retention for project comprises of funds retained for the projects that are being carried out by the contractors and are paid back to them after the defect liability period. It is usually 10% of the gross cost of the project. The funds were kept in this account because some projects defect liability period lapsed in the following financial year.

Table 9.2: Judicial Trust Fund Account

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Suitors Fund	17,703,357	14,143,256
Maintenance Fund	3,245,769	3,419,112
Sundries	4,916,641	4,688,390
Deposit Retention for Project Funds	74,526	376,237
<b>Total Receipts</b>	<b>25,940,293</b>	<b>22,626,995</b>
<b>Payments</b>		
Suitors Fund	14,751,720	14,544,086
Maintenance Fund	3,147,976	3,326,165
Sundries	4,576,130	4,085,801
Retention paid for Project Funds	15,776	114,129
<b>Total Payments</b>	<b>22,491,602</b>	<b>22,070,181</b>
Net Surplus	3,448,691	556,814
Opening balance as at 1 August	46,061,928	45,505,114
<b>Closing balance as at 31 July</b>	<b>49,510,619</b>	<b>46,061,928</b>

The increase in receipts by \$3.3 million or 15% resulted from the increase in receipts from the Suitors Fund for monies received from FNPF on behalf of deceased who do not have nominees for their FNPF accounts. The increase in payments by \$421,421 or 2% were mainly due to the increase in payments made from Sundries Trust Account for civil and criminal cases based on court judgments.

### 9.4.2 Judiciary Trust Fund Account

This trust fund comprises of funds received from a Chartered Accounting firm for interest received from the Law Society Account to meet the costs and expenses for improving court premises, purchase of equipment for various courts in all the divisions including acquisition of equipment for the Judiciary, implementation of electronic recording of court proceedings and on the discretion of the Chief Justice.

**Table 9.3: Judiciary Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Judiciary Trust Fund Account	119,681	148,829
<b>Total Receipts</b>	<b>119,681</b>	<b>148,829</b>
<b>Payments</b>		
Judiciary Trust Fund Account	186,146	450,759
<b>Total Payments</b>	<b>186,146</b>	<b>450,759</b>
Net (Loss)	(66,465)	(301,930)
Opening balance as at 1 August	947,763	1,249,693
<b>Closing balance as at 31 July</b>	<b>881,298</b>	<b>947,763</b>

The reduction in receipts by \$29,148 or 20% was due to the decrease in the funds received from Trustees Contribution Fund for the interest received from the Law Society Account. The decrease in payments by \$264,613 or 59% was mainly due to the decrease in expenses incurred for maintaining court premises and the purchasing of equipment for various courts in all the divisions.

### 9.4.3 Legal Practitioners Unit Trust Fund Account

The Trust Fund comprise of funds received from a Chartered Accounting firm for interest received from the Law Society Account to meet the cost and expenses of the Legal Practitioners Unit in the Office of the Chief Registrar in the performance of the functions and duties of the Chief Registrar under the Legal Practitioners Act 2009 and other expenses on the discretion of the Chief Registrar.

**Table 9.4: Legal Practitioners Unit Trust Fund Account**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Legal Practitioners Unit Fund	119,681	119,776
<b>Total Receipts</b>	<b>119,681</b>	<b>119,776</b>
<b>Payments</b>		
Legal Practitioners Unit Fund	2	1
<b>Total Payments</b>	<b>2</b>	<b>1</b>
Net Surplus	119,679	119,775
Opening balance as at 1 August	2,331,178	2,211,403
<b>Closing balance as at 31 July</b>	<b>2,450,857</b>	<b>2,331,178</b>

## PART B: OTHER SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on significant matters that the Auditor-General intends to bring to the attention of Parliament arising from 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 Department 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 Department. These have been included in this report as they impacted on the overall system of control of the Department as at 31 July 2024.

### 9.5 Absence of Detailed Listing and Variance in Trust Funds Account – Recurring Issue

The receipt and payments of trust money must be recorded in a separate cashbook or set of ledger accounts.<sup>24</sup> Each month the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items must be investigated and resolved promptly.<sup>25</sup>

The Department maintains Judicial Trust Fund Account, consisting of Suitors Trust, Maintenance Trust, Sundries Trust and Retention Trust accounts. As at 31 July 2024, the General Ledger for respective trust fund account had the following balances. Refer to Table 9.5 below for details.

**Table 9.5: Judicial Trust Fund Account Balances**

Trust Account	FMIS SLG 89 Balance As at 31/7/2023 (\$)	FMIS SLG 89 Balance As at 31/7/2024 (\$)
Suitors	36,746,334	39,697,971
Maintenance Trust	1,009,200	1,106,993
Sundries	4,534,768	4,875,279
Retention of Funds	3,771,626	3,830,376
<b>TOTAL</b>	<b>46,061,928</b>	<b>49,510,619</b>

The audit review of the Department's Judicial Trust Fund Account revealed the following anomalies:

- There still exists significant lapse in the years of reconciliation and absence of detailed breakdown listings of beneficiaries and their current balances except for Suitors Trust Fund Account. As such the accuracy of the closing balance reflected in the Judicial Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2024 could not be determined.
- The Department is only compiling the receipts and payments without preparing a proper reconciliation statement showing opening balance, movements and closing balances. The reconciliations prepared for are not signed off by preparer and reviewer.

In the absence of proper reconciliations, the audit was not able to ascertain the correctness of the balance reflected in the Judicial Trust Fund accounts.

<sup>24</sup> Finance Instructions 2010 – Section 58(2)

<sup>25</sup> Finance Instructions 2010 – Section 58(3)

## **Recommendations**

### **The Department should:**

- **update the reconciliation showing the detailed breakdown listings of beneficiaries; and**
- **include opening balance, movements, closing balances in the reconciliations for the Trust Fund Accounts and endorsed.**

### **Agreed Management Action**

We would like to assure you that we fully understand and acknowledge the importance of timely and accurate reconciliations. However, reconciling financial records dating back over the past five (5) years presents a significant challenge, especially given that much of this backlog stems from previous years.

Recognising the urgency of the matter, we have taken proactive steps to address the issue. Specifically, we have continued the engagement of 8 project posts to manage both the backlog and current entries:

- A night shift team of 8 staff members is focused exclusively on clearing the backlog.
- A day shift team of 6 staff members is handling current entries to avoid adding to the existing backlog.

At this stage, both teams are primarily engaged in intensive data entry. Once the data entry phase is completed and the information from both the current and previous years is aligned, we will proceed to formulate in a structured manner.

We appreciate your understanding and patience as we work through this large-scale task. Please rest assured that we are committed to resolving this issue effectively and in shortest possible timeframe.

In terms of detailed listings, Suitor's trust fund is up to date except for Sundries and Maintenance. We will work closely with each registry for the updating of their lists. As per my understanding, each Registries, should have an updated list of unclaimed monies in the trust account and when monies are paid out, this list is updated.

## **9.6 Significant Arrears of Revenue – Recurring Issue**

The credit officer must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, the following actions shall be taken:

- i. no further credit shall be extended to the debtor; and
- ii. if the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.<sup>26</sup>

If a final notice had been issued to one of the debtors listed, the Principal Accounts Officer may approve the case to be referred to the Solicitor General or the Small Claim Tribunal, after considering the cost implication and the probability of recovery.<sup>27</sup>

The Department's arrears of revenue comprise of arrears arising from court fees, fines and costs awarded to the state. The arrears of revenue as at 31 July 2024 amounted to \$11,748,818 which reduced by \$937,605 or 7% when compared to previous year. The last five years' arrears of revenue balance are provided in Table 9.6.

<sup>26</sup> *Judicial Department Finance Manual 2013 – Section 9.2.1*

<sup>27</sup> *Judicial Department Finance Manual 2013 – Section 9.2.4*

**Table 9.6: Arrears of Revenue for last 5 Financial Years**

Year	Balance (\$)
31/07/24	11,748,818
31/07/23	12,686,423
31/07/22	14,000,394
31/07/21	13,444,435
31/07/20	12,999,522

The Department has established a Fine Enforcement Unit in prior years to manage the arrears of revenue, however, the arrears of revenue for the Department remained substantial. The aging details as at 31/07/2024 are as follows in Table 9.7:

**Table 9.7: Ageing of Arrears of Revenue**

Ageing of Debtors	Amount (\$)	Percentage (%)
Less than 1 Year	461,268	4
1-2 years	383,335	3
2-5 years	1,321,910	11
More than 5 years	9,582,305	82
<b>Total</b>	<b>11,748,818</b>	<b>100</b>

The recovery measures warrant immediate review and collaborative actions with other government agencies.

Further delay in collecting the outstanding revenue increases the risk of revenue not likely to be collected which may require writing it off resulting in loss of revenue for government.

### **Recommendations**

#### **The Department should:**

- **strengthen the Fine Enforcement Unit to recover the arrears of revenue from the defaulters;**
- **consider seeking collaborative assistance in terms of recovery from FRCS, Police, LTA, Immigration and FNPf before considering the write offs; and**
- **upgrade its database information to capture information such as FNPf/Tax Identification Number (TIN), License and Passport Number in order to easily track the defaulters.**

### **Agreed Management Action**

The Department is also concerned about the vast amount of Arrears of Revenue which remains uncollected but as mentioned in the previous years it does not have the authority nor control over the execution process as this is mainly vested with the Police Department.

#### **Work carried out at Fine Enforcement Unit.**

-Checking of warrants, using the LTA Only View System to indicate the number of (TINS) paid to LTA Offices or in Court Registries.

-Auditing of Paid Warrants to match court records.

-Collection of new warrants from Court Registries in the Central/Eastern Division.

- Warrant Execution by Sheriff and Warrant Officer during normal working hours upon provision of Judicial Department Vehicle.

- Liaising with the following stakeholders:

- Registrar of Births, Deaths and Marriages (BDM):  
-Primary focus on confirming Death Certificates of Deceased defaulters.

- Land Transport Authority-(Infringement Processing Unit):
  - Freeze list are sent to IPU for License freezing and Defaulters are advised to pay Fine before license can be renewed.
  - Traffic Infringement Notices (TINs) queries which has been the focus point of Assistant Statistician at FEU to compile list of discrepancies with LTA records and Court Records in the form of TINs not recorded in LTA database, Double Payment of Fines, Partial Payment and other underlying issues.
  - The Judicial department and Land Transport Authority has renewed Memorandum of Understanding which allows the expansion of the LTA Database to be setup in the Western and Northern Division for the Judicial Department in the effort to enhance collaborative efforts to address the issues above.
- Department of Immigration: - Travel history of Individuals who have been fined by the Magistrates Courts in Fiji.

The monthly collection tends to fluctuate depending on various important factors such as:

- Compliance by fine defaulters to pay fine.  
 The Fine Enforcement Unit gathers information from the respective court registries and through the LTA database to contact fine defaulters to make payments or face harsh penalties such as imprisonment. Unfortunately, this technique does not influence individuals who take their chances and choose not to pay their fines when instructed.
- Timely Availability of Vehicle for Warrant Execution.  
 This report seeks to formally highlight a critical operational challenge currently affecting the performance and revenue recovery efforts of the Fine Enforcement Unit (FEU), with a view to obtaining management support for the allocation of a dedicated vehicle. The effectiveness and efficiency of FEU in executing warrants and conducting field operations is heavily dependent on the availability of reliable transportation. Currently, the unit does not have a dedicated vehicle, and this lack of logistical support has significantly hindered our ability to carry out enforcement activities in a timely and consistent manner. The availability—or lack thereof—of transport has had a direct and measurable impact on revenue recovery outcomes. The collections recorded by the FEU from February to June 2024 remained consistently low. This period coincided with a temporary suspension of execution activities by directive of the Honorable Chief Registrar, pending data cleansing and internal performance reviews of FEU operations. However, a marked improvement was observed in July 2024 when the Office of the Divisional Prosecution Officer—Southern Division extended support by providing access to a police vehicle and a full-time warrant officer. This logistical support enabled the FEU to conduct regular weekly enforcement exercises, typically scheduled for 2–3 weekdays (from 8:00 a.m. to 4:00 p.m.) and one additional day on weekends. As a result of this increased operational activity, the FEU successfully collected \$11,327.20 in fines for the month of July 2024—a significant increase from the preceding months.

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 9.7 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	N/A
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 closing process assessment
☀ Generally Effective	5 key processes completed by the due date

### 9.8 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
☠ Ineffective	Adjustments on total expenditure, operating results/net assets were more than one percent

### 9.9 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
☠ Ineffective	Acceptable draft financial statements received after 31 October 2024

### 9.10 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 Provision of Management Comments
☠ Ineffective	After 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Ineffective	After 14 days from the date of issue of audited Financial Statement for signing

**HEAD 9**

**Parliament of Fiji**

**Roles and Responsibilities**

The primary function of the Parliament of Fiji is provided for under Section 46(1) of the Fijian Constitution, which states that, “the authority and power to make laws for the State is vested in Parliament”. The Parliament is the voice of the Fijian people, and it is responsible for ensuring representative government, openly debating relevant issues and providing oversight of government activities.

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## PART A: FINANCIAL INFORMATION

### 9.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$6,570	<b>TOTAL EXPENDITURE</b> \$15.72 MILLION
<b>REVISED BUDGET</b> \$16.28 MILLION	<b>UNUTILISED BUDGET</b> \$556,255	

### 9.2 Audit Opinion

The audit of the 2024 financial statements of the Parliament of Fiji resulted in an unmodified audit opinion.

### 9.3 Appropriation Statement

The Office incurred expenditure totalling \$15.72 million against a revised budget of \$16.28 million resulting in savings of \$0.56 million or 3.4%. A total of \$6,570 in revenue was collected by the Office.

Details of actual expenditure against the revised budget are provided in Table 9.1.

Table 9.1: Head 9 - Appropriation Statement for 2024

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	---	---	---	---	---
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	---	---	---	---	---
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	---	---	---	---	---
6	Operating Grants & Transfers	16,275,940	---	16,275,940	15,719,685	556,255
7	Special Expenditure	---	---	---	---	---
	<b>Total Operating Expenditure</b>	<b>16,275,940</b>	<b>---</b>	<b>16,275,940</b>	<b>15,719,685</b>	<b>556,255</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
13	Value Added Tax	---	---	---	---	---
	<b>TOTAL EXPENDITURE</b>	<b>16,275,940</b>	<b>---</b>	<b>16,275,940</b>	<b>15,719,685</b>	<b>556,255</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 9.4 Submission of Draft Agency Financial Statement

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	N/A
Processing of payments by 24 July 2024	✓	Submission of arrears of revenue return by 23 August 2024	N/A
Clearance of Inter-departmental clearance accounts by 02 August 2024	✗	Completion of reconciliations by 26 August 2024	✗

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

Rating	Year-end closing process assessment
☀ Generally Effective	4 key processes completed by the due date

### 9.5 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
🌱 Effective	No adjustment required

### 9.6 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
🌱 Effective	Acceptable draft financial statements received on 31 October 2024

### 9.7 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 Provision of Management Comments
🌱 Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statements for signing

## Section 9 Office of the Director of Public Prosecutions

### Roles and Responsibilities

The Office of the Director of Public Prosecution (ODPP) is an independent office established under the Constitution to institute and conduct criminal court proceedings in Fiji.

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## PART A: FINANCIAL INFORMATION

### 9.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$783	<b>TOTAL EXPENDITURE</b> \$6.93 MILLION
<b>REVISED BUDGET</b> \$6.94 MILLION	<b>UNUTILISED BUDGET</b> \$4,167	

### 9.2 Audit Opinion

The audit of the 2024 accounts for the Office of the Director of Public Prosecutions resulted in an unmodified audit opinion.

### 9.3 Appropriation Statement

The Office incurred expenditure totalling \$6.93 million against a revised budget of \$6.93 million, resulting in an unutilised budget of \$4,167.

Details of expenditure against the revised budget are provided in Table 9.1.

Table 9.1: Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	6,936,352	---	6,936,352	6,932,185	4,167
<b>TOTAL</b>		<b>6,936,352</b>	<b>---</b>	<b>6,936,352</b>	<b>6,932,185</b>	<b>4,167</b>

### 9.4 Trust Fund Account

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

The Office of the Director of Public Prosecutions operates and maintains two main trust fund accounts.

#### 9.4.1 Director of Public Prosecutions Trust Account

The purpose of the fund is to administer the training normally conducted by the office. The money is received from participants and payments are for the operation of the training such as training materials. The details of Director of Public Prosecutions Trust Fund Statement of Receipts & Payments for the year ending 31 July 2024 are provided in Table 9.2 below.

Table 9.2: Director of Public Prosecutions Trust Fund Account

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>237,262</b>	<b>260,580</b>
<b>Receipts</b>		

Description	31 July 2024 (\$)	31 July 2023 (\$)
Lawyer's Prosecution Training Fees	30,600	48,600
DPP conference and deposit fee refund	10	55,530
Interest	---	22
<b>Total Receipts</b>	<b>30,610</b>	<b>104,152</b>
<b>Payments</b>		
Bank fees	124	165
Refund of Prosecution Training Fees	---	1,500
DPP Conference	---	125,805
<b>Total Payments</b>	<b>124</b>	<b>127,470</b>
<b>Closing Balance as at 31 July</b>	<b>267,748</b>	<b>237,262</b>

The decrease in receipts by \$73,542 or 70.6% and payments by \$127,436 or 99.9% as there was no being held during the year.

### 9.4.2 Forfeited Assets Fund Account

Proceeds of Crime Act 2004 and Proceeds of Crime Act Amendment No.7/2005, Section 71 (A) established the trust fund account for the purpose of keeping funds received from forfeited order. The purpose of this funds is to make payments to the person if a forfeiture order is discharged, make payments to foreign countries with approval of the Minister of Finance in the obligation with respect of a registered foreign forfeiture order and registered foreign pecuniary order.

The details of Forfeited Assets Trust Fund Statement of Receipts & Payments for the year ending 31 July 2024 is provided in Table 9.3 below

Table 9.3: Forfeited Assets Trust Fund Account

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>308,202</b>	<b>113,807</b>
<b>Receipts</b>		
Forfeited funds	100	206,961
Interest	---	10
<b>Total Receipts</b>	<b>100</b>	<b>206,971</b>
<b>Payments</b>		
Bank fees and payment to BSP Bank	---	12,576
<b>Total Payments</b>	<b>---</b>	<b>12,576</b>
<b>Closing Balance as at 31 July</b>	<b>308,302</b>	<b>308,202</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 9.5 Preparation of Draft Agency Financial Statements

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

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

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

Rating	Year-end closing process assessment
Effective	All 6 key processes completed by the due dates

### 9.6 Quality of Draft Financial Statements by Entities

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

Rating	Quality of Draft Financial Statements
Effective	No adjustment required

### 9.7 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
Effective	Acceptable draft financial statements received before 31 October 2024

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

Accordingly, we have assessed timeliness as:

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

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Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statements for signing

**Head 14**

**FIJI CORRECTIONS SERVICE**

**Roles and Responsibilities**

The Fiji Corrections Service (FCS) is responsible for the safety and security of inmates sentenced or placed on remand pending trial by the courts.

FCS is obliged to meet international standards and its best practices, including compliance with all human rights obligations for the treatment of inmates.

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## PART A: FINANCIAL INFORMATION

### 14.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$1.87 MILLION	<b>TOTAL EXPENDITURE</b> \$41.27 MILLION
<b>REVISED BUDGET</b> \$46.99 MILLION	<b>UNUTILISED BUDGET</b> \$5.72 MILLION	

### 14.2 Audit Opinion

The audit of the 2024 financial statements of the Fiji Corrections Service resulted in an unmodified audit opinion.

An emphasis of matter drew attention to Note 7 of the Financial Statements which discloses the closure of the Trading and Manufacturing Account (TMA) on 01 August 2023. The closing balances for VAT Receivable of \$42,563 and Inventory which are made up of Raw Materials \$74,562, Works in Progress \$30,148 and Finished Goods \$330,698 were not transferred to the Operating Fund Account (Fund 1) after the closure of the TMA. Furthermore, the following other matter paragraph was included:

The Service did not have in place approved Human Resource Strategy and policies, Social Media Policy and a Standard Operating Procedure for administering drug tests on Officers.

### 14.3 Appropriation Statement

The Service incurred expenditures totalling \$41.27 million against a revised budget of \$46.99 million resulting in unutilised budget of \$5.72 million or 12%. A total of \$1.87 million in revenue was collected by the Service.

Details of expenditures against the revised budget are provided in Table 14.1.

**Table 14.1: Head 14 – Appropriation Statement for 2024**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	25,540,760	(1,654,806)	23,885,954	22,642,511	1,243,443
2	Government Wage Earners	34,263	---	34,263	17,247	17,016
3	Travel & Communications	912,000	322,000	1,234,000	1,114,844	119,156
4	Maintenance & Operations	2,718,506	419,500	3,138,006	2,958,677	179,329
5	Purchase of Goods & Services	6,869,000	2,870,970	9,739,970	8,941,182	798,788
6	Operating Grants & Transfers	88,000	82,000	170,000	133,749	36,251
7	Special Expenditures	500,000	37,986	537,986	430,915	107,071
	<b>Total Operating Expenditure</b>	<b>36,662,529</b>	<b>2,077,650</b>	<b>38,740,179</b>	<b>36,239,125</b>	<b>2,501,054</b>
8	Capital Construction	6,297,676	(2,099,021)	4,198,655	2,341,339	1,857,316
9	Capital Purchase	1,250,000	(531,000)	719,000	566,519	152,481
	<b>Total Capital Expenditure</b>	<b>7,547,676</b>	<b>(2,630,021)</b>	<b>4,917,655</b>	<b>2,907,858</b>	<b>2,009,797</b>
13	Value Added Tax	2,782,100	552,371	3,334,471	2,126,626	1,207,845
	<b>TOTAL EXPENDITURE</b>	<b>46,992,305</b>	<b>---</b>	<b>46,992,305</b>	<b>41,273,609</b>	<b>5,718,696</b>

The unutilised budget resulted mainly from the delay in the implementation of capital projects and delay in filling in of vacant positions.

#### 14.4 Prisoners Cash Trust Fund Account

The Fiji Corrections Service maintains a Prisoners Cash Trust Fund Account.

Money held in trust consist of confiscated cash from prisoners upon convictions, engagement in the Trading and Manufacturing Small Business Units (TMA SBUs), engagement in the art gallery, wages earned during job placements and sugarcane wage rates during cane cutting operations. For the TMA SBUs, the wage rate depends on the stage of skill of the prisoner and years of experience in the trade. The stages the prisoner is being rehabilitated and his skills determines his commercial wage rate charged while working in the SBU.

The sugarcane cutting operation has a ratio of 60:40 where the 60% is paid to the inmates and 40% for purchasing of inmates' equipment and rations.

For commercial wage job placements, the wage rate depends on the rate offered by the company. The hours worked by the prisoners are recorded in the timesheets and receipted when deposited into the Prisoners Trust Account.

For the art gallery, 60% of sale goes to the prisoner while 40% is used to purchase gallery items.

Any pay out for prisoners upon discharge is approved by the Commissioner and paid out from this Prisoners Trust Account. Submissions are supported by receipts, confirmation on timesheets, with endorsements by the inmate and Officer in Charge (OC) of the Institution being discharged from. If there are discipline issues during incarceration these are accounted for when making payments to prisoners during release upon the Commissioner's discretion. All payments are supported by receipts and approved by the Commissioner before being paid.

**Table 14.2: Prisoners Cash Trust Fund Account – Receipts and Payments**

	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Prisoner's cash	10,562	1,759
Sale of Art Gallery	21,599	17,187
Sugar cane harvesting	274,306	336,342
<b>Total Receipts</b>	<b>306,467</b>	<b>355,288</b>
<b>PAYMENTS</b>		
Return of Prisoner's cash	16,282	12,889
Art gallery	10,229	16,786
Sugar cane harvesting	555,768	281,826
<b>Total Payments</b>	<b>582,279</b>	<b>311,501</b>
<b>Balance as at 1 August</b>	<b>1,295,720</b>	<b>1,295,933</b>
<b>Closing Balance as at 31 July</b>	<b>1,019,908</b>	<b>1,295,720</b>

#### 14.5 Trading and Manufacturing Account

The Fiji Corrections Service operates the Trading and Manufacturing Account (TMA) and is guided by its legal mandate to operate its Commercial Enterprises Unit as stipulated under the Fiji Corrections Act 2006 under Part 10 Clause 45 (a) to (d).

The Department's TMA consists of six Small Business Units (SBUs) namely the Bakery, Joinery, Piggery, Poultry, Tailor and Crops. The summary of the activities is presented in a consolidated form as there is only one bank account for all the SBUs.

The operation of these TMA helps in the rehabilitative work programs with key objective of teaching and developing inmates with basic industrial and agricultural skills. The TMA also generates much needed revenue through the sale of agricultural products, joinery, tailor and bakery materials.

The TMAs were closed on 01 August 2023.

## PART B: OTHER SIGNIFICANT MATTERS

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on 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 Department 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 Department. These have been included in this report as they impacted on the overall system of control of the Department as of 31 July 2024.

### 14.6 TMA Inventory Not Transferred to Operating Fund Account (Fund 1)

Approval is hereby granted to the Fiji Corrections Service (FCS) to close the six Small Business Unit (SBU), operated through Trading and Manufacturing Account (TMA). The FCS is to settle any outstanding financial transactions for FCS TMA before transferring the surplus funds to Government Consolidated Fund Account (CFA). The FCS needs to ensure that the expenditures are adequately budgeted under Fund 1 in FY 2023-2024 budget. The FCS TMA has a ceiling of \$500,000, similarly, a budget of \$500,000 is to be maintained for the procurement of raw materials.<sup>28</sup>

The audit noted from the review of the Department's TMA Balance Sheet that the balances for inventory totalling \$435,408 and VAT Receivable of \$42,563 were not transferred to the Operating Fund Account (Fund 1) after its closure.

As a result, these balances are not reflected in the FMIS general ledger.

#### **Recommendation**

**The Fiji Corrections Service should ensure that inventories and VAT receivables are transferred to the Operating Fund Account (Fund 1).**

#### **Management Comments**

*FCS acknowledges the issue raised and the recommendation provided.*

*FCS would like to confirm that after the transition from Fund 04 to Fund 01; the Ministry of Finance has since added the Bank Account that was formerly used by the FCS TMA to be part of OFA. This same Bank Account is with FRCS which means that any VAT refund will go directly into this bank account (which is now part of OFA).*

*In relation to the transfer of Inventories, the transfer from Fund 04 to Fund 01 was handled by the Ministry of Finance as part of their exercise in transitioning FCS TMA (Fund 04) to FCS Enterprise Units (Fund 01) however, during the course of the Audit we had sought confirmation from the Ministry of Finance of the allocation used to transfer these inventories and we are currently awaiting their response.*

<sup>28</sup> Memorandum – Endorsement of TMA Transition to Fund 1, dated 04/05/2023

## 14.7 Unutilised Budget for Capital Expenditure

Each year the Appropriation Act and the Budget Estimates sets out details of the appropriations that Cabinet approves for spending by each agency.<sup>29</sup>

The Service was allocated \$7.5 million for Capital Expenditure, of which \$2.6 million were vired to the Operating Expenditure (\$1.7 million for the Job Evaluation Exercise approved by Cabinet) during the year.

Our review of the Appropriation Statement revealed that the Service had only utilised \$2.91 million or 59% of the total capital budget of \$4.92 million. \$2 million or 41% of the capital budget was not utilised at the end of the financial year.

Refer to Table 14.3 below for details of projects with significant unutilised budget.

**Table 14.3: Unutilised Capital Expenditure Budget**

Account Allocation	Revised Budget Amount (\$)	Actual Amount (\$)	Unutilised Budget (\$)	Unutilised Budget (%)
<b>Capital Construction – SEG 8</b>				
Miscellaneous Infrastructure Construction	60,000	42,353	17,647	29
Building Office	1,500,000	1,007,973	492,027	33
Upgrade and Enhancement – Land	40,000	6,342	33,658	84
Upgrade and Enhancement – Building Office	400,000	324,703	75,297	19
Upgrade and Enhancement - Building Operation	280,979	194,225	86,754	31
Upgrade and Enhancement – Infrastructure	630,000	28,298	601,702	96
Upgrade and Enhancement – Telecommunication & CCTV	250,000	-	250,000	100
Upgrade and Enhancement – Software IT	150,000	43,478	106,522	71
Construction Retaining Wall (Gabion)	700,000	508,733	191,267	27
Retention payment	187,676	185,234	2,442	1
<b>Total</b>	<b>4,198,655</b>	<b>2,341,339</b>	<b>1,857,316</b>	<b>44</b>
<b>Capital Purchases – SEG 9</b>				
Purchase – Fittings	250,000	151,339	98,661	39
Creek Boulders	250,000	196,180	53,820	22
Purchase – Equipment Office	219,000	219,000	-	-
<b>Total</b>	<b>719,000</b>	<b>566,519</b>	<b>152,481</b>	<b>21</b>
<b>Total Capital Expenditure</b>	<b>4,917,655</b>	<b>2,907,858</b>	<b>2,009,797</b>	<b>41</b>

The reason for the unutilised budget was mainly due to the delay in the implementation of projects.

The underutilisation of capital works budget indicates the need to improve planning of capital works.

### Recommendation

**The Management should properly plan the implementation of capital projects.**

<sup>29</sup> Finance Instructions 2010, Section 7

**Management Comments**

FCS acknowledges the issue raised and the recommendation provided.

We are currently re-aligning our business processes to remove bottlenecks in the implementation of our Capital projects. Internally, we are strictly monitoring our utilisation by ensuring continuous collaboration between key units within FCS and our Commissioners office. Externally, we understand that some delays are due to unfavourable weather conditions, delays in supply of raw materials, delays the tender process and other administrative processes thus our continuous efforts in improving stakeholder engagements and weekly reviews to ensure we are on track.

**14.8 Vacant Positions**

All vacant positions (both substantive and temporary) will be advertised for a minimum period of five working days, through the means deemed appropriate with regard to the location, term of the position and the knowledge, experience, skills and abilities required to perform the duties of the position.<sup>30</sup>

The review of the FCS's person to post listing for established staff and government wage earners revealed that there were vacant positions which was not filled at the end of the financial year. It was also noted that the P2P for both Activity 1 and Activity 2 recorded several excess staff against the approved establishments.

Refer to Table 14.4 below for details.

**Table 14.4: Analysis of Vacant Positions**

Person to Post Analysis	FY 2024	
	Activity 1	Activity 2
Substantive Posts	264	670
Excess Staff	19	37
Vacant Positions	48	99
<b>Total Establishment</b>	<b>331</b>	<b>806</b>

Prolonged delay in the filling of vacant positions could compromise the service delivery.

**Recommendation**

**The Ministry should ensure that vacant position is advertised and filled in a timely manner especially the critical positions.**

**Management Comment**

FCS acknowledges the issue raised and the recommendation provided. FCS wishes to clarify that since the implementation of the Job Evaluation Exercise in the latter part of the 2024 financial year, FCS has undertaken a series of changes in leadership (at middle and top management level) and restructuring. These significant changes coupled with funding constraints; directly affected the timely recruitment of personnel to fill vacant positions. FCS continues to review our HR database and processes in particular our P2P, our Recruitment policy and the FCS Staff Board.

<sup>30</sup> *Fijian Civil Service – Open Merit and Recruitment and Selection - 6.3*

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 14.9 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 2024 year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	Six of the seven key processes were completed by the due dates

### 14.10 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
🌿 Effective	No adjustment required

### 14.11 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
🌿 Effective	Acceptable draft financial statements received before 31 October 2024

### 14.12 Timeliness of Provision for 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 date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision for Management Comments
🔴 Ineffective	After 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Ineffective	After 14 days from the date of issue of Financial Statements for signing

**HEAD 15**

**Ministry of Justice**

**Roles and Responsibilities**

The Ministry of Justice is responsible for the administration of law and justice in Fiji. The Ministry delivers judicial services through registries established by law to maintain official records of legal documents. These registries include registration of companies, businesses, credit unions, money lenders, titles, deeds, charitable trust, religious, births, deaths and marriages. The Ministry also administers “Justice of Peace” and the winding up of businesses and companies.

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## PART A: FINANCIAL INFORMATION

### 15.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$4.84 MILLION	<b>TOTAL EXPENDITURE</b> \$4.96 MILLION
<b>REVISED BUDGET</b> \$5.36 MILLION	<b>UNUTILISED BUDGET</b> \$0.40 MILLION	

### 15.2 Audit Opinion

The audit of the 2024 accounts of the Ministry of Justice resulted in an unmodified audit opinion with an emphasis of matter. The emphasis of matter drew attention to Seg 8 - Capital Construction where \$100,000 appropriated for minor works was not utilised.

### 15.3 Appropriation Statement

The Ministry incurred expenditures totalling \$4.96 million against a revised budget of \$5.36 million resulting in unutilised budget of \$0.4 million or 7.5%. A total of \$4.84 million in revenue was collected by the Ministry. Details of expenditure against the revised budget are provided in Table 15.1.

**Table 15.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,414,417	(25,500)	3,388,917	3,324,396	64,521
2	Government Wage Earners	179,140	25,500	204,640	189,418	15,222
3	Travel Communication	215,000	95,500	310,500	255,893	54,607
4	Maintenance & Operations	698,500	(105,000)	593,500	529,523	63,977
5	Purchase of Goods & Services	243,524	(99,500)	144,024	121,071	22,953
6	Operating Grants & Transfers	17,500	---	17,500	17,500	---
7	Special Expenditure	160,000	(52,500)	107,500	84,257	23,243
	<b>Total Operating Expenditure</b>	<b>4,928,081</b>	<b>(161,500)</b>	<b>4,766,581</b>	<b>4,522,058</b>	<b>244,523</b>
8	Capital Construction	100,000	---	100,000	---	100,000
9	Capital Purchase	100,000	161,500	261,500	260,578	922
	<b>Total Capital Expenditure</b>	<b>200,000</b>	<b>161,500</b>	<b>361,500</b>	<b>260,578</b>	<b>100,922</b>
13	Value Added Tax	227,600	---	227,600	180,827	46,773
	<b>TOTAL EXPENDITURE</b>	<b>5,355,681</b>	<b>---</b>	<b>5,355,681</b>	<b>4,963,463</b>	<b>392,218</b>

The unutilised budget was mainly due to the non-utilisation of the \$100,000 appropriated for minor repair works.

### 15.4 Trust Fund Account

The Ministry of Justice maintains two main trust fund accounts. These are the Official Receiver Liquidation and Official Receiver Bankruptcy Trust Fund Accounts.

The Official Receiver administers Liquidation and Bankruptcy Accounts in accordance with the Companies Act 2015 and Bankruptcy Act 1944, respectively. The creditor files the petition against the debtor by paying a sum of \$115 for individual debtors and \$805 for Companies.

The petitions are then lodged with the Magistrate’s Court or High Court which then appoints the Official Receiver as the Official Receiver of a debtor’s estate for individuals or as the Provisional Liquidator for a company. The Official Receiver then would have to take necessary steps as required under the Companies Act 2015 and the Bankruptcy Act 1944 to ensure recoveries are made from the debtors to pay off the creditors. Money received from Liquidated Companies on the other hand is deposited into the Liquidation Trust Bank Account for payment to creditors.

**15.4.1 Official Receiver Liquidation Trust Fund**

The Official Receiver Liquidation Trust Fund account collected trust revenue totalling \$502,825 in 2024 and incurred expenditures totalling \$401,615. The balance of this account as at 31 July 2024 was \$2,021,181. Refer to Table 15.2 below

**Table 15.2: Official Receiver Liquidation Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Debt Collected	449,743	1,147,795
Petition	49,910	49,595
Search Fees	---	5,832
Proof of Debt	3,172	4,632
<b>Total Receipts</b>	<b>502,825</b>	<b>1,207,854</b>
<b>Payments</b>		
Debt Payment	342,193	917,056
Valuation Cost	---	1,500
Debtor Refund	47,327	12,769
Petition Refund	9,534	3,052
Publication Costs	2,363	585
Bank Fees & Charges	198	279
Reversal of Dishonoured Cheque	---	6,500
<b>Total Payments</b>	<b>401,615</b>	<b>941,741</b>
Net Surplus	101,210	266,113
Opening Balance	1,919,971	1,653,858
<b>Closing Balance as at 31 July</b>	<b>2,021,181</b>	<b>1,919,971</b>

**15.4.2 Official Receiver Bankruptcy Trust Fund**

The Official Receiver Bankruptcy Trust Fund collected trust revenue totalling \$139,382 in 2024 and incurred expenditures totalling \$62,270. The balance of this account as at 31 July 2024 was \$538,278. Refer to Table 15.3 below.

**Table 15.3: Official Receiver Bankruptcy Trust Fund Account - Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
Debt Collected	137,302	148,345
Search Fees	---	---
Petition	2,070	2,180
Proof of Debt	10	12

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Total Receipts</b>	<b>139,382</b>	<b>150,537</b>
<b>Payments</b>		
Debt Payment	50,959	210,562
Debtor Refund	5,988	---
Publication Costs	283	1,058
Bank Fees & Charges	246	252
Payment to CFA	---	---
Reversal of Dishonoured Cheque	4,794	---
<b>Total Payments</b>	<b>62,270</b>	<b>211,872</b>
Net Surplus/(Deficit)	77,112	(61,335)
Opening Balance	<b>461,166</b>	<b>522,501</b>
<b>Closing Balance as at 31 July</b>	<b>538,278</b>	<b>461,166</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 15.5 Preparation of Draft Agency Financial Statements

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

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

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

Rating	Year-end closing process assessment
✗ Ineffective	3 of 7 key processes were completed by the due date

### 15.6 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
✓ Effective	No adjustment required

### 15.7 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
✗ Ineffective	Acceptable draft financial statements received after 31 October 2024

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
✗ Ineffective	After 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statements for signing

**Head 17****Ministry of Civil Service****Roles and Responsibilities**

The Ministry of Civil Service supports Ministries and Departments with the ongoing implementation of modern best practice in service delivery across the Whole of Government to firmly establish Government as a merit-based, efficient and responsible employer.

The Ministry provides human-resource policy support and guidance to the Permanent Secretaries; acts as the Secretariat and provides support services to Public Service Commission (PSC); monitors and reports on the implementation of guidelines and policies to the PSC and Ministers; provides guidance to Ministries to continue the rapid progress towards a merit-based and efficient civil service; works in partnership with Ministries to facilitate improved customer care by developing and launching a Customer Service Guideline across the Civil Service to ensure safe, responsive, reliable and inclusive customer service to internal and external customers. Additionally, the Ministry coordinates core-skills training and learning and development opportunities funded by development partners.

The Ministry also provides adequate housing to civil servants and private stakeholders under market rental rate approach and conducive office accommodation for respective agencies under modern concept for effective operations and service delivery.

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## PART A: FINANCIAL INFORMATION

### 17.1 Financial Information – Head 17 Ministry of Civil Service

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$4.21 MILLION	<b>TOTAL EXPENDITURE</b> \$49.14 MILLION
<b>REVISED BUDGET</b> \$50.57 MILLION	<b>UNUTILISED BUDGET</b> \$1.43 MILLION	

### 17.2 Audit Opinion – Head 17 Ministry of Civil Service

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

### 17.3 Appropriation Statement – Head 17 Ministry of Civil Service

The Ministry incurred expenditures totalling \$49.14 million in 2024 against a revised budget of \$50.57 million, resulting in an unutilised budget of \$1.43 million or 3%. A total of \$4.21 million in revenue was collected by the Ministry. Details of expenditures against the revised budget are provided in Table 17.1.

Table 17.1: Appropriation Statement

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,180,706	(5,000)	2,175,706	1,733,361	442,345
2	Government Wage Earners	140,139	5,000	145,139	139,631	5,508
3	Travel & Communication	120,000	(3,000)	117,000	66,009	50,991
4	Maintenance & Operations	439,500	300	439,800	360,072	79,728
5	Purchase of Goods & Services	38,400,310	(114,200)	38,286,110	37,742,746	543,364
6	Operating Grants & Transfers	---	---	---	---	---
7	Special Expenditure	---	16,900	16,900	16,879	21
	<b>Total Operating Expenditure</b>	<b>41,280,655</b>	<b>(100,000)</b>	<b>41,180,655</b>	<b>40,058,698</b>	<b>1,121,957</b>
8	Capital Construction	3,000,000	100,000	3,100,000	3,001,251	98,749
	<b>Total Capital Expenditure</b>	<b>3,000,000</b>	<b>100,000</b>	<b>3,100,000</b>	<b>3,001,251</b>	<b>98,749</b>
13	Value Added Tax	6,293,980	---	6,293,980	6,080,997	212,983
	<b>TOTAL EXPENDITURE</b>	<b>50,574,635</b>	<b>---</b>	<b>50,574,635</b>	<b>49,140,946</b>	<b>1,433,689</b>

The unutilised budget was mainly due to the following:

- SEG 1 - delays in filling of vacant positions created from the high staff turnover during the year.
- SEG 5 - delay in the submission of receipts for reimbursement of rental payments for UN agencies.

### 17.4 Financial Information – Head 13 Public Service Commission

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> NIL	<b>TOTAL EXPENDITURE</b> \$5.71 MILLION
<b>REVISED BUDGET</b> \$5.93 MILLION		<b>UNUTILISED BUDGET</b> \$0.22 MILLION

## 17.5 Audit Opinion – Head 13 Public Service Commission

The audit of the 2024 financial statements of the Public Service Commission resulted in an unmodified audit opinion.

## 17.6 Appropriation Statement – Head 13 Public Service Commission

The Public Service Commission incurred expenditures totalling \$5.71 million in 2024 against a revised budget of \$5.93 million, resulting in an unutilised budget of \$0.22 million or 4%. No revenue was collected by the Commission.

Details of expenditures against the revised budget are provided in Table 17.2.

**Table 17.2: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	5,933,621	---	5,933,621	5,707,747	225,874
	<b>Total Operating Expenditure</b>	5,933,621	---	5,933,621	5,707,747	225,874
	<b>TOTAL</b>	<b>5,933,621</b>	<b>---</b>	<b>5,933,621</b>	<b>5,707,747</b>	<b>225,874</b>

The unutilised budget was mainly due to the delay in the recruitment on the Permanent Secretaries during the financial year.

## 17.7 Trust Fund Account

In the 2023-2024 financial year, two main Trust Fund accounts (under Fund 9) that were formally managed by Construction Implementation Unit under the Ministry of Finance, Strategic Planning, National Development & Statistics were transferred to Ministry of Civil Service.

The Ministry of Civil Service operates and maintains the following trust accounts:

### 17.7.1 Bred Bank Tenancy Bond Trust Fund

The purpose of this Trust fund account is to hold tenancy bonds for tenants of government quarters in Suva (market rent) and civil servants in various division (through salary deductions). These bonds are held until tenants vacate, at which point an assessment is conducted to evaluate the property's condition and verify that all rent and utility payments have been cleared.

The Trust Fund Account had an opening balance of \$0.38 million. The Ministry collected revenue totalling \$21,356 and incurred expenditures totalling \$4,728 during the year, resulting in a closing balance of \$0.4 million.

**Table 17.3: Bred Bank Tenancy Bond Trust Fund Account-Statement of Receipts and Payments**

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>383,861</b>	<b>178,603</b>
<b>Receipts</b>		
Tender Deposits	17,400	223,938
Interest	3,956	2,634
<b>Total Receipts</b>	<b>21,356</b>	<b>226,572</b>
<b>Payments</b>		
Tender Refunds	4,240	20,971
Bank Charges	488	343
<b>Total Payments</b>	<b>4,728</b>	<b>21,314</b>
<b>Closing Balance as at 31 July</b>	<b>400,489</b>	<b>383,861</b>

### 17.7.2 Adopt a School Trust Fund

This Trust Fund was established in the aftermath of Cyclone Winston to support the rehabilitation of schools damaged by the cyclone. Its purpose is to hold donor funds from overseas dedicated to capital construction projects.

The Trust Fund Account had an opening balance of \$4.2 million. The Ministry collected revenue totalling \$2,243 and incurred expenditures totalling \$45 during the year, resulting in a closing balance of \$4.2 million.

Table 17.4: Adopt a School Trust Fund Account-Statement of Receipts and Payments

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Opening Balance as at 1 August</b>	<b>4,200,045</b>	<b>4,396,976</b>
<b>Receipts</b>		
Interest	2,243	3,131
<b>Total Receipts</b>	<b>2,243</b>	<b>3,131</b>
<b>Payments</b>		
Bank Charges	45	62
Contractor Payments	---	200,000
<b>Total Payments</b>	<b>45</b>	<b>200,062</b>
<b>Closing Balance as at 31 July</b>	<b>4,202,243</b>	<b>4,200,045</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 17.8 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 closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	5 of the 8 key processes completed by the due date

### 17.9 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
🌿 Effective	No adjustment required

### 17.10 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
🌿 Effective	Acceptable draft financial statements received before 31 October 2024

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

Accordingly, we have assessed timeliness as:

Rating	Timeliness of Provision of Management Comments
🌿 Effective	Within 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Effective	Within 14 days from the date of issue of Financial Statement for signing

**Head 18**

**Ministry of Rural and Maritime Development and Disaster Management**

**Roles and Responsibilities**

The Ministry of Rural and Maritime Development manages and coordinates Government’s rural and maritime development programs. Guided by the socioeconomic rights enshrined in the Fijian Constitution, the Ministry is focused on providing Fijians with the things they need to empower themselves and support their families.

The Ministry’s programs are targeted at generating economic growth and improving living standards in Fiji’s rural and maritime communities. This includes Self-Help Programmes, Rural Housing Assistance Programme, Rural and Outer Island (ROI) Development Programme and Community Access Roads, Footpaths and Footbridges. They are also responsible for the implementation of the National Disaster Management Strategy as required by the 1995 National Disaster Management Plan and the National Disaster Management Act, covering disaster prevention, mitigation, preparedness, response, emergency operations, relief and rehabilitation. Correspondingly, the Ministry implements climate change mitigation programmes.

The Ministry also provides support services to rural, peri-urban and maritime communities such as issuing licenses and collecting license and permit fees.

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## PART A: FINANCIAL INFORMATION

### 18.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> \$1.91 MILLION	<b>TOTAL EXPENDITURE</b> \$24.38 MILLION
<b>REVISED BUDGET</b> \$29.12 MILLION	<b>UNUTILISED BUDGET</b> \$4.74 MILLION	

### 18.2 Audit Opinion

The audit of the 2024 financial statements of the Ministry of Rural and Maritime Development and Disaster Management resulted in an unmodified audit opinion.

### 18.3 Appropriation Statement

The Ministry incurred expenditures totaling \$24.38 million against a revised budget of \$29.12 million resulting in unutilised budget of \$4.74 million or 16%. A total of \$1.91 million in revenue was collected by the Ministry.

Details of expenditures against the revised budget are provided in Table 18.1.

**Table 18.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	6,342,279	(359,919)	5,982,360	5,856,792	125,568
2	Government Wage Earners	1,345,079	204,584	1,549,663	1,505,321	44,342
3	Travel & Communication	521,000	352,690	873,690	811,695	61,995
4	Maintenance & Operations	1,367,900	21,220	1,389,120	1,194,006	195,114
5	Purchase of Goods & Services	843,915	75,017	918,932	783,380	135,552
6	Operating Grants & Transfers	806,015	(205,171)	600,844	504,777	96,067
7	Special Expenditure	3,776,200	705	3,776,905	739,207	3,037,698
	<b>Total Operating Expenditure</b>	<b>15,002,388</b>	<b>89,126</b>	<b>15,091,514</b>	<b>11,395,178</b>	<b>3,696,336</b>
8	Capital Construction	3,852,707	(102,495)	3,750,212	3,174,906	575,306
9	Capital Purchase	260,000	---	260,000	253,305	6,695
10	Capital Grants & Transfers	8,900,000	---	8,900,000	8,660,430	239,570
	<b>Total Capital Expenditure</b>	<b>13,012,707</b>	<b>(102,495)</b>	<b>12,910,212</b>	<b>12,088,641</b>	<b>821,571</b>
13	Value Added Tax	1,108,840	13,369	1,122,209	897,308	224,901
	<b>TOTAL EXPENDITURE</b>	<b>29,123,935</b>	<b>---</b>	<b>29,123,935</b>	<b>24,381,127</b>	<b>4,742,808</b>

## 18.4 Trust Fund Account

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

### 18.4.1 Provincial Development Trust Fund Account

The Trust Fund Account Statement of Receipts and Payments are prepared to reflect the trust monies received and paid out by the Ministry as follows:

- One – Third (1/3) Contributions- Self Help: the Ministry assists communities through its Self-Help Programme whereby the Government contributes two third's (2/3) of the costs whilst the community provides one third (1/3) of the project costs.
- Rural Housing Scheme and PM's Relief Rehabilitation: where the rural dwellers deposit the full cost of building materials for their houses to be built in the rural outer islands. The Government would negotiate and get cheaper quotes and also provide free transportation in the delivery of these materials.

Table 18.2: Provincial Development Trust Fund Account

Description	31 July 2024 (\$)	31 July 2023 (\$)
<b>Receipts</b>		
PM's Relief Rehabilitation Account - NDMO	668,127	437,493
1/3 Contribution – Self Help	1,425,586	59,621
<b>Total Receipts</b>	<b>2,093,713</b>	<b>497,114</b>
<b>Payments</b>		
PMs Relief Rehabilitation Account - NDMO	3,533	3,025
1/3 Contribution – Self Help	1,053,865	56,948
<b>Total Payments</b>	<b>1,057,398</b>	<b>59,973</b>
<b>Net Surplus</b>	<b>1,036,315</b>	<b>437,141</b>
GL Adjustment	2,521	3,104
Balance as at 1 August 2022 - 1/3 Contribution	1,352,308	1,349,635
Balance as at 1 August 2022 - PM's Relief NDMO	3,732,826	3,295,254
<b>Closing balance as at 31 July 2024</b>	<b>6,123,970</b>	<b>5,085,134</b>

The increase in receipts by \$1,596,599 or 321% and increase in payments by \$997,425 or 1663% were mainly due increase in receipts and payments related to self-help projects.

## PART B: OTHER SIGNIFICANT MATTER

The Audit Act 2025 requires, amongst other things, that the Auditor-General must report on 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, 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.

### 18.5 Significant Arrears of Revenue Balance – Recurring Issue

Accounts which are overdue must be promptly followed up in accordance with the debt recovery procedures in the finance manual.<sup>31</sup>

The Ministry had significant arrears of revenue relating to business and liquor licence totalling to \$2,068,777 as at 31 July 2024. Refer to Table 18.3 below for details.

**Table 18.3: Significant Arrears of Revenue as at 31/07/2024**

Ageing of Debtors	Amount (\$)	Percentage (%)
Less than a year	---	---
1 – 2 years	165,518	8
2 – 5 years	811,776	39
More than 5 years	1,091,483	53
<b>Total</b>	<b>2,068,777</b>	<b>100</b>

Delays in recovery of arrears of revenue, poses high risk of arrears of revenue becoming irrecoverable and being written off resulting in loss of Government revenue.

#### **Recommendation**

**The Ministry should seek approval from Ministry of Finance and Cabinet on the way forward for recovery and recording of Arrears of Revenue.**

#### **Agreed Management Comments**

The Ministry of Rural and Maritime Development and Disaster Management (the Ministry), through its four Divisions, as ancillary service provider collect various revenues such as Liquor and Retail Licenses, Permits, fees from Burial, and Birth, Death, and Marriage Fees, and Arms Licenses for pigeon shooting, which are all receipted and posted in the Financial Management Information System (FMIS) and Operating Revenue under the Standard Revenue Group (SRG) 23. The Ministry does not charge the above services through a billing system, so the customers or clients are not treated as defaulters and subsequently these are not posted under the Standard Assets Group (SAG) 56 – Current Assets: Accounts Receivable. In this regard, no debtors exist in the system resulting in no arrears of revenue.

In addition, the Ministry only issue Business Licenses when potential business operators pay, and no license is issued

<sup>31</sup> Finance Instructions 2010, Section 41

if no payment is done. The Ministry does not have the mandate to enforce payment for business license renewal, neither does it have the budget or resources for the enforcement exercise. Furthermore, there is no avenue for confirmation of businesses operating status, especially those in remote locations. Nevertheless, the Ministry had been accumulating non-renewed business licenses over the years.

Audit comments have been noted. The Ministry, continued to submit Arrears of Revenue Returns. At the end of the 2020-2021 financial year, the Arrears of Revenue Returns had a total outstanding of \$2,068,777.27. The detail for this amount is shown in the table below:

Age of Debtors	Amount (\$)	% of debtor to total outstanding
1 year	166,518.00	8%
2 – 5 years	811,755.75	39%
Over 5 years	1,091,483.52	53%
Total	2,068,777.27	100%

The Ministry had initially discussed this matter with the Office of the Auditor General during the Exit Meeting on 25 February 2021 together with the Financial Reporting Unit (FRU) Team of the Ministry of Finance, Strategic Planning, National Development and Statistics (Ministry of Finance). It was agreed then that the figure which only appears in the Arrears of Revenue Returns, and is basically meaningless, be zeroised as this will have no negative impact of the Government's financial position. The Ministry recently pursued the matter with the Ministry of Finance, to ensure that the matter be brought to a closure. The Ministry of Finance provided its feedback to the Ministry following consultations with the Solicitor-General's Office. These will be incorporated in the Cabinet paper with comments from Ministry of Trade, Co-operatives, Micro, Small and Medium Enterprises, and Communications, and Ministry of Local Government. There are no financial implications arising from the proposed action to zeroise the supposedly arrears of revenue. The Cabinet Paper is proposed to be tabled in the next Parliament sitting which is scheduled for February 2025. The Ministry will continue to submit the Quarterly Arrears of Revenue Report to the Ministry of Finance until a cabinet decision is made.

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 18.6 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 year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally Effective	6 key processes completed by the due date

### 18.7 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
🌿 Effective	No adjustment required

### 18.8 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
🌿 Effective	Acceptable draft financial statements received before 31 October 2024

### 18.9 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 Provision of Management Comments
🔴 Ineffective	After 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
* Ineffective	After 14 days from the date of issue of audited Financial Statement for signing

**Head 19****Republic of Fiji Military Forces****Roles and Responsibilities**

The Republic of Fiji Military Forces (RFMF) is responsible for maintaining the security and defence of Fiji and the Fijian People, employing the latest technologies and defence strategies to address emerging security threats, and supporting the international community to reduce conflict and forge peaceful solutions around the world.

RFMF also implements a number of projects and programmes in rural and maritime regions in Fiji. As part of its contribution to the wellbeing of the Fijian people, RFMF's Engineering Corps carries out an extensive range of development projects across the country that improves the living conditions of ordinary Fijians.

RFMF's Naval Division provides surveillance in Fiji's 1.3 million square kilometers of Exclusive Economic Zone and is also responsible for overseeing maritime search-and-rescue missions, operating the Suva Radio 3DP coastal radio station, conducting hydrographic surveys, and providing hydrographic services to mariners who traverse Fiji waters. These are mandatory services that Fiji provides to maintain safety of Fiji's EEZ and fulfil its international obligations, under various international conventions, including the United Nations Convention on the Law of the Sea.

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## PART A: FINANCIAL INFORMATION

### 19.1 Financial Information

<b>AUDIT OPINION</b> MODIFIED	<b>TOTAL RECEIPTS</b> \$578,853	<b>TOTAL EXPENDITURE</b> \$100.78 MILLION
<b>REVISED BUDGET</b> \$101.60 MILLION	<b>UNUTILISED BUDGET</b> \$0.82 MILLION	

### 19.2 Audit Opinion

The audit of the 2024 financial statements of the Republic of Fiji Military Forces resulted in a modified audit opinion based on the following qualification:

An unreconciled variance of \$177,043 existed between the Plant Pool Value Added Tax (VAT) Account Reconciliation and the VAT receivable general ledger balance. Consequently, the accuracy and completeness of the VAT receivable balance of \$212,410 stated in the Balance Sheet of the Plant Pool Trading Account as at 31 July 2024 could not be verified.

In addition, the following Emphasis of Matter was as included:

The Appropriation Statement shows that SEG 8 Capital Construction Expenditure had an unutilised budget of \$547,107 or 20% of the revised budget for the year ended 31 July 2024.

Furthermore, the following other matter paragraphs were included:

- The Plant Pool Trading Account is operating on a semi-accrual accounting basis instead of full accrual accounting. The plant and equipment which are used for the operation of the Engineers Plant Pool have not been reflected in the balance sheet of the Plant Pool Trading Account.
- The Force did not include as part of the Statement of Receipts and Expenditure the Fiji Military Force Band receipts and payments for the year ended 31 July 2024. The Force Band account transactions were also not recorded in the FMIS General Ledger. The closing bank balance of the Band Account as at 31 July 2024 was \$13,619.

### 19.3 Appropriation Statement

The Force incurred expenditures totalling \$100.78 million against a revised budget of \$101.60 million resulting in unutilised budget of \$0.82 million or 0.8%. A total of \$578,853 in revenue was collected by the Force.

Details of expenditures against the revised budget are provided in Table 19.1.

**Table 19.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	72,225,493	(1,788,727)	70,436,766	70,436,751	15
2	Government Wage Earners	472,035	6,895	478,930	478,929	1
3	Travel & Communication	1,408,700	224,070	1,632,770	1,619,990	12,780
4	Maintenance &	5,879,460	385,710	6,265,170	6,226,068	39,102

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operations					
5	Purchase of Goods & Services	10,713,733	221,200	10,934,933	10,899,939	34,994
7	Special Expenditure	2,320,000	669,226	2,989,226	2,954,577	34,649
	<b>Total Operating Expenditure</b>	<b>93,019,421</b>	<b>(281,626)</b>	<b>92,737,795</b>	<b>92,616,254</b>	<b>121,541</b>
8	Capital Construction	4,000,000	(1,305,920)	2,694,080	2,146,973	547,107
9	Capital Purchase	2,114,236	131,867	2,246,103	2,170,313	75,790
	<b>Total Capital Expenditure</b>	<b>6,114,236</b>	<b>(1,174,053)</b>	<b>4,940,183</b>	<b>4,317,286</b>	<b>622,897</b>
13	Value Added Tax	3,965,420	(39,321)	3,926,099	3,854,626	71,473
	<b>TOTAL EXPENDITURE</b>	<b>103,099,077</b>	<b>(1,495,000)</b>	<b>101,604,077</b>	<b>100,788,166</b>	<b>815,911</b>

The unutilised budget in Capital Construction allocation was due to construction project tenders being approved at the end of the third quarter, resulting most construction work to spill over to the next financial year. These projects include the renovation of the RFMF Infrastructure, relocation of the 4FIR Camp and the upgrading of the Logistics Support Unit.

## 19.4 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Republic of Fiji Military Forces operates and maintains the following trust fund bank account:

### 19.4.1 Engineer Project Trust Fund Account

The Engineer Project Trust Fund Account record projects of other Government agencies that were carried out by the RFMF Engineers. Refer to Table 19.2 for details.

**Table 19.2: Engineers Project Trust Fund Account**

Description	2024 (\$)	2023 (\$)
<b>Receipts</b>		
Miscellaneous Project	274,078	166,986
Rotuma Hospital	189,002	282,552
Navakasiga District School	---	1,525
New Cakaudrove Provincial Council	295,450	290,711
<b>Total Receipts</b>	<b>758,530</b>	<b>741,774</b>
<b>Payments</b>		
Miscellaneous Project	64,997	155,184
Rotuma Hospital	329,841	545,838
Ratu Ilaisa Memorial School	702	---
Tailevu North Secondary School	731	---
Namalata District School	2,492	423
Navakasiga District School	---	1,525
New Cakaudrove Provincial Council	285,680	398,972
<b>Total Payments</b>	<b>684,443</b>	<b>1,101,942</b>
Net Surplus/(Deficit)	74,087	(360,168)
Opening balance as at 1 August	645,693	1,005,861
<b>Closing balance as at 31 July</b>	<b>719,780</b>	<b>645,693</b>

The increase in receipts by \$16,756 or 2% was mainly due to an increase in funds received for miscellaneous projects such as the construction of the Saint Teresa Catholic Church at the Nakorovou Village, Kubulau, Bua. The decrease in payments by \$417,499 or 38% was mainly due to the reduction in payments made for the construction of the Rotuma Hospital, miscellaneous projects and New Cakaudrove Provincial Council project.

## 19.5 Trading and Manufacturing Account

The RFMF operates the Engineers Plant Pool Trading Account which was established to construct and develop roads to the inaccessible parts of rural areas of Fiji.

**Table 19.3: Trading Account – Engineers Plant Pool Trading Activity**

Description	2024 (\$)	2023 (\$)
<b>Sales</b>		
Plant Hire	121,542	239,647
<b>Total Revenue</b>	<b>121,542</b>	<b>239,647</b>
Opening Finished Goods	---	---
Add: Cost of Manufactured Goods	---	---
Less: Closing Finished Goods	---	---
<b>Cost of Goods Sold</b>	<b>---</b>	<b>---</b>
<b>Gross Profit transferred to Profit &amp; Loss Statement</b>	<b>121,542</b>	<b>239,647</b>

The TMA recorded a gross profit of \$121,542 and \$239,647 in 2024 and 2023 respectively. The decrease in gross profit by \$118,105 or 49% in 2024 was mainly due to the decrease in demand for plant hire.

**Table 19.4: Profit and Loss Account – Engineers Plant Pool Trading Activity**

Description	2024 (\$)	2023 (\$)
<b>Income</b>		
Gross Profit transferred to from Trading Account	121,542	239,647
<b>Total Income</b>	<b>121,542</b>	<b>239,647</b>
<b>Expenses</b>		
Fuel and oil	43,455	62,166
Repairs and maintenance	36,643	147,830
Parcel and Freight	1,308	2,642
Office upkeep and supplies	159	---
Fixed asset replacement and improvement	23,117	22,230
Minor Improvement	8,344	4,987
Subsistence	1,054	---
Consult and Expert Fees	2,336	9,385
<b>Total Expense</b>	<b>116,416</b>	<b>249,240</b>
<b>Net Profit/(Loss)</b>	<b>5,126</b>	<b>(9,593)</b>

The TMA recorded a net profit of \$5,126 in 2024 and a net loss of \$9,593 in 2023. The profit in 2024 was mainly due to decrease in expenses related to repair and maintenance.

**Table 19.5: Balance Sheet – Engineers Plant Pool Trading Activity**

Description	2024 (\$)	2023 (\$)
<b>Current Assets</b>		
Cash at Bank	29,992	22,827

Description	2024 (\$)	2023 (\$)
Accounts Receivable	---	289
VAT Receivable	212,410	214,449
<b>Total Assets</b>	<b>242,402</b>	<b>237,565</b>
<b>Liabilities</b>		
Revenue Received in advance	---	---
<b>Total Liabilities</b>	<b>---</b>	<b>---</b>
<b>Net Assets</b>	<b>242,402</b>	<b>237,565</b>
<b>Equity</b>		
TMA Accumulated Surplus	237,565	247,158
Less: Adjustment on dormant account	(289)	---
Net Profit/(Loss) for the period	5,126	(9,593)
<b>Total Equity</b>	<b>242,402</b>	<b>237,565</b>

## 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 Force 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 Force. These have been included in this report as they impacted on the overall system of control of the Force as at 31 July 2024.

### 19.6 Anomalies noted in the Trade and Manufacturing Account – Recurring Issue

The Staff Officer Ledgers must reconcile all accounts to be submitted to Ministry of Finance within two weeks after the closing of each monthly account.<sup>32</sup>

Review of the Trade and Manufacturing Account (TMA) records noted an unreconciled variance of \$177,043 in VAT Receivable between FMIS general ledger and the Statement of VAT Account. Refer to Table 19.6 below for details.

**Table 19.6: Variances in VAT Receivable**

Particulars	2023 Amount (\$)	2024 Amount (\$)
VAT receivables as per FMIS General Ledger	214,449	212,410
VAT receivables as per Statement of VAT Account	254,562	35,367
<b>Variance</b>	<b>(40,113)</b>	<b>177,043</b>

In addition, the Plant Pool Trading Account was operating on a semi-accrual accounting basis instead of full accrual accounting. The plant and equipment which are used for the operation of the Plant Pool have not been reflected in the balance sheet of the Plant Pool Trading Account.

In the absence of carrying out reconciliation between the Statement of VAT Account from FRCS and VAT balances in FMIS General Ledger has resulted in the variances.

#### **Recommendation**

**The Force must ensure that reconciliations are carried out regularly between the VAT Receivables General Ledger (FMIS) balance and the TMA's Statement of VAT Account.**

#### **Agreed Management Action**

OAG comments are noted and acknowledged. Currently there are ongoing discussions with the AMU Unit of the MoF on how these funds will be cleared. Furthermore, the Statement of Vat Account depicts a credit balance and according to AMU, these funds will be credited to CFA. OAG will be advised on the outcome.

<sup>32</sup> RFMF Finance Manual 2017 Section XVII, 1.17.1.10

## 19.7 Unutilised Budget for Capital Expenditure

Each year the Appropriation Act and the Budget Estimates sets out details of the appropriations that Cabinet approves for spending by each agency.<sup>33</sup>

The Appropriation Statement of the Force indicated that the total Capital Construction had unutilised budget of \$547,107 or 20% of the revised budget for the year ended 31 July 2024.

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

### **Recommendation**

**The Force should ensure that capital works are well coordinated so that Capital budget is utilised as intended.**

### **Agreed Management Action**

*OAG comments are acknowledged. The majority of the Force's capital projects funded in the 2023-24 fiscal year were not fully implemented due to delays in tender approvals by the Government Tender Board. A total of 4 (four) projects, valued at \$1.2 million, were approved late in the third quarter of the fiscal year, resulting in their implementation being rolled over into 2024-25 fiscal year. Consequently, the allocated funds was not fully utilised due to closure of accounts.*

## 19.8 Charging Expenditures into Incorrect Allocations

The Principal Accounts Officer, Chief Staff Officer Finance or Staff Officer Trade must not certify a payment as correct unless they are satisfied that the expenditure account it is charged to is correct.<sup>34</sup>

The audit noted instances of mis-posting of expenditures in various Standard Expenditure Group (SEG) totalling \$189,328. Refer to **Appendix 19.1** for details.

This indicated that the supervisory checks to ensure that the internal controls in place were not effectively carried out.

### **Recommendations**

**The Force should ensure that:**

- **all expenditures are appropriately reflected in their correct allocations.**
- **any misallocations are regularised to its correct expenditure allocations.**

### **Agreed Management Action**

*In August 2024-25FY, the RFMF established a centralised Procurement Centre which monitors and corrects all RFMF transactions including any mispostings.*

## 19.9 Fixed Asset Register Not Updated

All property, plant or equipment with a value in excess of \$2,000 or more must be recorded in

<sup>33</sup> Finance Instructions 2010, Section 7

<sup>34</sup> RFMF Finance Manual 2017 Section13, ss.1.2.1.27 (e)

the asset register for those without the financial management information system.<sup>35</sup>

The audit noted that the Fixed Assets Register was not kept up to date. Review of selected samples noted that capital purchases totalling \$1,309,426 made during the financial year were not recorded in the fixed assets register. Refer to **Appendix 19.2** for details.

The findings indicated the inadequate system of controls in the management of fixed assets to ascertain its existence and condition of all fixed assets kept by the Force.

### **Recommendation**

**The Force must comply with the requirements of Section 46 (1) (b) of the Finance Instructions 2010 to update its Fixed Asset Register.**

### **Agreed Management Action**

OAG comments are kindly acknowledged. The Fixed Assets Register is currently being updated as per the OAGs recommendations.

## **19.10 Republic of Fiji Military Forces Band Account Not Reflected in FMIS GL - Recurring Issue**

Financial transactions shall be posted into the automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.<sup>36</sup>

The RFMF Band perform during official ceremonial functions and military ceremonial/protocols that are in accordance with the regulated military customs & traditions, and also for public relations and community engagements as approved by the Commander RFMF.

The audit noted that the receipts from band activities and band expenses were not recorded in the FMIS general ledger for the year ended 31 July 2024.

In addition, the audit noted that expenditures totalling \$54,151 were incurred from Fund 1 SEG 5<sup>37</sup> for the purchase of band equipment. Refer to Table 19.7 below for samples of band items purchased in the financial year 2024.

**Table 19.7: Band Items Purchased during the FY2024**

Date	Payment ID	Description	Amount (\$)
01/02/2024	83263	Purchase of computer Lenovo (6 piece)	14,150
06/03/2024	84060	Payment for purchase of speakers	4,174
06/03/2024	84060	Purchase of Subwoofers System	8,609
06/03/2024	84060	Purchase of speakers	5,217
16/04/2024	85364	Purchase of Badge Cap Fiji	8,870
16/04/2024	85364	Purchase of Buckle 2	8,870
17/05/2024	86013	Purchase of 5 pcs drum set & professional drum stool	4,261
<b>Total</b>			<b>54,151</b>

The audit was also not provided with any policy/guidelines on the operation of Band Account.

<sup>35</sup> Finance Instructions 2010, Section 46 (1) (b)

<sup>36</sup> RFMF Finance Manual 2017 Section 1.16.1.10

<sup>37</sup> 1-19101-19999-050157

This indicated that there is an absence of the internal control mechanism to analyse and reconcile the Force's Band monies into the FMIS General Ledger.

The closing bank balance of the RFMF Band Account was \$13,619 as at 31 July 2024.

### **Recommendations**

#### **The Force should:**

- **liaise with Ministry of Finance on reflecting the Force's Band account in the FMIS General Ledger as receipts are derived from providing services to the public by officers while on duty.**
- **ensure that all revenue generated from the hire of the band are deposited into the Consolidated Fund Account.**

### **Agreed Management Action**

*The OAG comments are acknowledged. The RFMF Band Funds are presently being receipted into the Private Fund Account, pending formal endorsement of the relevant instructions.*

## **19.11 Significant Outstanding Accounts Receivable Balance – Recurring Issue**

The Accounts Receivables account is made up of the Malaya Pension Account and the Malaya Widow Pension Account. These accounts record the pension payments made to former soldiers who served in Malaya from 1952 to 1956. Payment is processed from SAG 56 account allocation to the pensioner and is cleared to Head 51 (Ministry of Finance) when RFMF receives reimbursement from the relevant authority.

As at 31 July 2024, the Accounts Receivable Account had a debit balance of \$1,109,675. The audit noted that this balance has been increasing over the years and remains outstanding as at 31 July 2024.

Refer to Table 19.8 and 19.9 below for details:

**Table 19.8: Significant Outstanding Accounts Receivable Balance**

<b>Account Description</b>	<b>2020 (\$)</b>	<b>2021 (\$)</b>	<b>2022 (\$)</b>	<b>2023 (\$)</b>	<b>2024 (\$)</b>
Malaya Pension	779,500	788,457	797,413	806,370	808,807
Malaya Widow Pension	151,801	188,085	223,529	257,701	300,868
<b>Total</b>	<b>931,301</b>	<b>976,542</b>	<b>1,020,942</b>	<b>1,064,071</b>	<b>1,109,675</b>

**Table 19.9: Ageing of Debtors – Malaya Pension & Malaya Widow Pension**

<b>Months</b>	<b>Malaya Pension (\$)</b>	<b>Malaya Widow Pension (\$)</b>	<b>Total (\$)</b>
0-3 months	2,411	10,989	<b>13,400</b>
4-6 months	2,067	9,614	<b>11,681</b>
7-9 months	689	3,295	<b>3,984</b>
10-12 months	---	---	---
12 months +	803,640	276,970	<b>1,080,610</b>
<b>Total</b>	<b>808,807</b>	<b>300,868</b>	<b>1,109,675</b>

This was due to prior years outstanding balance for the Accounts Receivable not promptly recovered.

**Recommendation**

**The Force should investigate and follow up with the relevant authority on the reimbursement of funds so that the outstanding balance is cleared.**

**Agreed Management Action**

*RFMF acknowledges the aged receivables and confirms that this matter remains a priority. RFMF has scheduled a meeting with the Defence Attaché to formally discuss and resolve the issue. Furthermore, the objective of the meeting will be to confirm the status of the outstanding reimbursement, seek clarity on any administrative delays, and establish a clear timeframe for settlement. The RFMF is committed to ensuring that this matter is resolved in a timely manner and will continue to actively pursue it until a satisfactory outcome is reached. Updates on any developments will be communicated to your good office accordingly.*

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 19.12 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 year-end closing process as:

Rating	Year-end closing process assessment
☀ Generally effective	5 key processes completed by the due date

### 19.13 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
☀ Effective	No adjustment required

### 19.14 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
☹ Ineffective	Acceptable draft financial statements received after 31 October 2024

### 19.15 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 Provision of Management Comments
✖ Ineffective	After 14 days from the date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
✖ Ineffective	After 14 days from the date of issue of Financial Statement for signing

**APPENDIX 19.1: Charging Expenditures to Incorrect Allocation**

Date	EFT No.	Amount (\$)	Incorrectly posted to SEG	Should be Posted to SEG
17/04/2024	85152	13,057	SEG 3	SEG 5
12/04/2024	85272	12,955	SEG 3	SEG 5
12/04/2024	85272	10,709	SEG 3	SEG 5
23/07/2024	87624	7,035	SEG 3	SEG 5
23/07/2024	87615	6,915	SEG 3	SEG 5
23/07/2024	87622	6,864	SEG 3	SEG 5
27/05/2024	86441	8,000	SEG 4	SEG 5
26/06/2024	86978	7,743	SEG 4	SEG 5
21/06/2024	86928	6,674	SEG 4	SEG 3
25/09/2023	80030	6,000	SEG 4	SEG 5
08/02/2024	83393	7,085	SEG 5	SEG 8
11/07/2024	87328	11,870	SEG 5	SEG 4
10/08/2023	78688	52,000	SEG 7	SEG 5
10/08/2023	78693	17,565	SEG 7	SEG 5
03/10/2023	80279	14,856	SEG 7	SEG 5
<b>Total</b>		<b>189,328</b>		

**APPENDIX 19.2: Assets Purchased Not Updated in Fixed Assets Register**

Date	Payment ID:	Description	Amount (\$)
17/04/2024	85152	Payment for supply of 7 desktop computer sets	13,057
12/04/2024	85150	Payment of 01*40 men tent with side drops cover	30,261
28/03/2024	84747	Payment of 01*20 men tent with side drops cover	17,000
28/03/2024	84785	Payment of 01*20 men tent with side drops cover	17,000
12/04/2024	85205	Payment of 6-piece single way workstation	12,783
12/04/2024	85276	Payment of 6-piece single way workstation	12,783
17/01/2024	82741	Payment for supply of RFMF media equipment	11,371
01/02/2024	83263	Payment for purchase of computer (6 piece)	14,150
06/03/2024	84060	Payment for purchase of speakers	4,174
06/03/2024	84060	Payment for purchase of Subwoofers System	8,609
06/03/2024	84060	Payment for purchase of speakers	5,217
17/05/2024	86013	Payment for purchase of 5 pcs drum set & drum stool	4,261
10/11/2023	81375	Assorted plates, bowls, saucers, mugs, platter	51,913
16/11/2023	81383	Assorted plates, bowls, saucers, mugs, platter	65,334
09/11/2023	81375	Electric Kettle 80L Lift-Off Cover 20 Gal-Acc New SPK Kel 40/60/80/100T KGT KET 20T-ACC Food Strain - 20Gal-Acc 8 Sets of Knives	39,193
14/11/2023	81375	Ice Machine Hand Blender-760mm Hand Blender-420mm Potato Chips Cutter	12,172
08/12/2023	82025	Various Kitchen Equipment	65,121
08/12/2023	82200	Stainless Steel Works at Black Rock Camp	54,334
25/04/2024	85380	Payment for supply of diesel engine	369,224
03/07/2024	87231	Payment for supply of diesel engine	369,224
21/08/2023	79289	Payment of laptop	12,591
30/08/2023	79434	Payment of Mobile workstation	9,963
15/09/2023	79958	Payment for supply of TV Screen	7,477
29/09/2023	80258	Payment for supply of laptop	13,284
04/01/2024	82705	Payment of supply of IT equipment	32,600

Date	Payment ID:	Description	Amount (\$)
25/04/2024	86612	Payment of 9 x Desktop Computer Set	17,331
10/06/2024	86676	Payment of 9 x Desktop Computer Set	17,331
07/06/2024	87235	Payment of Laptop & Desktop computer	15,026
09/07/2024	1819	Payment for supply of 2 HP Probook laptops	6,642
<b>Total</b>			<b>1,309,426</b>

**HEAD 20****Fiji Police Force****Roles and Responsibilities**

The Fiji Police Force is responsible for maintaining law and order in Fiji by employing best practices in police work and using modern technologies and innovative strategies to prevent criminal activity.

The Fiji Police Force engages in a wide range of activities to maintain professional personnel who are well-trained and well-equipped to handle evolving criminal landscape.

The Force continues to expand the reach of its services and aims to improve response time, through the procurement of new specialised equipment, including communication equipment, IT equipment, forensic science tools, police boats and traffic management equipment.

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## PART A: FINANCIAL INFORMATION

### 20.1 Financial Information

<b>AUDIT OPINION</b> MODIFIED	<b>TOTAL RECEIPTS</b> \$4.23 MILLION	<b>TOTAL EXPENDITURE</b> \$187.74 MILLION
<b>REVISED BUDGET</b> \$188.76 MILLION	<b>UNUTILISED BUDGET</b> \$1.02 MILLION	

### 20.2 Audit Opinion

The audit of the 2024 financial statements of the Fiji Police Force resulted in a modified audit opinion with other matters paragraph. The qualification issues were the following:

- The Agency Revenue balance of \$498,029 included an adjustment entry of \$184,309 which was incorrectly passed by the Force to clear the balances from the Operating Trust Fund Accounts (SLG 86) for which no cash was received during the financial year. This resulted the Agency Revenue balance being overstated by \$184,309 for the year ended 31 July 2024.
- An unreconciled variance of \$370,370 existed between the Total Revenue balance of \$4,229,022 reflected in the Statement of Receipts and Expenditure and the Bank Lodgement Clearance (BLC) account for the year ended 31 July 2024. The Force was unable to provide adequate supporting documents to substantiate the variances. As a result, the audit could not determine the accuracy of the Total Revenue balance reflected in the Statement of Receipts and Expenditure.

The Other Matters paragraph included the following:

- The Operating Trust Fund account balance of \$437,937 for the year ended 31 July 2024, comprise 88% of carried forward balance from prior years.
- The Force did not include as part of the Statement of Receipts and Expenditure the Fiji Police Force Band Trust Fund Account receipts and payments for the year ended 31 July 2024. The Force Band account transactions were also not recorded in the FMIS General Ledger. The closing balance of the Band Trust Fund Account as at 31 July 2024 was \$33,913.

### 20.3 Appropriation Statement

The Force incurred expenditures totaling \$187.74 million against a revised budget of \$188.76 million resulting in unutilised budget of \$1.02 million or 0.54%. A total of \$4.23 million in revenue collected by the Force in 2024.

Details of expenditure against the revised budget are provided in Table 20.1.

**Table 20.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	144,146,878	8,384,452	152,531,330	152,531,330	---
2	Government Wage Earners	1,390,319	16,660	1,406,979	1,406,979	---

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
3	Travel & Communication	6,293,500	1,003,764	7,297,264	7,297,204	60
4	Maintenance & Operations	11,961,000	(1,074,844)	10,886,156	10,882,981	3,175
5	Purchase of Goods & Services	6,258,500	(182,009)	6,076,491	6,073,760	2,731
6	Operating Grants & Transfers	50,000	43,915	93,915	93,915	---
7	Special Expenditure	2,699,000	(945,277)	1,753,723	1,699,307	54,416
	<b>Total Operating Expenditure</b>	<b>172,799,197</b>	<b>7,246,661</b>	<b>180,045,858</b>	<b>179,985,476</b>	<b>60,382</b>
8	Capital Construction	3,000,000	(1)	2,999,999	2,725,909	274,090
9	Capital Purchase	2,960,824	(1,054,679)	1,906,145	1,222,434	683,711
	<b>Total Capital Expenditure</b>	<b>5,960,824</b>	<b>(1,054,680)</b>	<b>4,906,144</b>	<b>3,948,343</b>	<b>957,801</b>
13	Value Added Tax	4,976,100	(1,170,650)	3,805,450	3,804,565	885
	<b>TOTAL EXPENDITURE</b>	<b>183,736,121</b>	<b>5,021,331</b>	<b>188,757,452</b>	<b>187,738,384</b>	<b>1,019,068</b>

## 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 Force 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 Force. These have been included in this report as they impacted on the overall system of control of the Force as at 31 July 2024.

### 20.4 Overstated Miscellaneous Revenue

Each journal voucher or input form shall be checked by the Deputy Force Accountant who must ensure that:

- i. vouchers are adequately supported;
- ii. dollar values are accurately computed; and
- iii. the correct account codes have been debited or credited.<sup>38</sup>

The Statement of Receipts and Expenditure of the Force reflected Miscellaneous Revenue/Commission of \$498,029 for the year ended 31 July 2024.

The audit noted that an adjustment entry of \$184,309 was made by debiting the Operating Trust Fund Account (SLG 86) and crediting the Miscellaneous Revenue allocation for which cash was not received in the financial year 2024. Refer to Table 20.2 below for details.

**Table 20.2: Details of adjustment passed**

JV No. in FMIS GL	Period	Allocation Number	Allocation Description	Amount (\$)
063358	12/2024	1-20101-20101-861912	386 PD UNIQUE	97,187
063359	12/2024	1-20101-20101-861917	437 PD Improved Forest	71,231
063360	12/2024	1-20101-20101-861902	204 PD – Deposit A/C Rec	15,891
		<b>Total Debited</b>		<b>184,309</b>
	12/2024	1-20101-20101-279999	Miscellaneous Revenue	184,309
		<b>Total Credited</b>		<b>184,309</b>

The posting was made to clear the balances from the Operating Trust Fund Account (SLG 86).

This resulted in miscellaneous revenue being overstated by \$184,309 for the year ended 31 July 2024.

#### **Recommendation**

**The Force should consult Ministry of Finance for any adjustment related to prior year balances.**

#### **Agreed Management Comments**

<sup>38</sup> Fiji Police Force Finance Manual 2015, Section 5.5.6

We noted the overstated amount is \$184,308.97. The following operating trust fund account charges were credited to miscellaneous revenue:

- 1-20101-20101-861912 - \$97,186.96
- 1-20101-20101-861917 - \$71,230.83
- 1-20101-20101-861902 - \$15,891.18
- The total miscellaneous revenue - \$184,308.97

## 20.5 Variance between Bank Lodgements and Total Revenue – Recurring Issue

Within five working days of the Ministry of Finance issuing the monthly General Ledger Reports, the Assistant Accounts Officer Revenue shall reconcile the revenue figures in the report to the Revenue Statement.<sup>39</sup> Similarly, the Inter-Departmental Clearance Account balances must be reconciled.<sup>40</sup>

The audit noted an unreconciled variance of \$370,370 between the Total Revenue balance of \$4,229,022 reflected in the Statement of Receipts and Expenditure and the Bank Lodgement Clearance (BLC) account balance of \$4,599,392 for the year ended 31 July 2024. Refer to Table 20.3 below for details.

**Table 20.3: Variance between Bank Lodgements and Revenue in FMIS GL**

Description	31/07/2022 (\$)	31/07/2023 (\$)	31/07/2024 (\$)
Total Police Clearance	3,043,366	4,172,805	3,730,993
Add Miscellaneous Revenue/Commission	227,465	275,339	498,029
<b>Total Revenue (A)</b>	<b>3,270,831</b>	<b>4,448,144</b>	<b>4,229,022</b>
Total BLC Lodgement	2,905,435	4,068,792	5,168,576
Less VAT Portion	239,898	---	569,184
<b>Total Cash Lodgements (B)</b>	<b>2,665,537</b>	<b>4,068,792</b>	<b>4,599,392</b>
<b>Variance (A – B)</b>	<b>605,294</b>	<b>379,352</b>	<b>(370,370)</b>

Variances between critical records indicated the existence of errors and omissions.

### **Recommendation**

**The Force should ensure that Bank Lodgements and Revenue balances recorded in FMIS General Ledger are reconciled in a timely manner.**

### **Agreed Management Comments**

The variance is noted. The revenue clerk has reconciled the BLC postings and noted that majority of the police clearance paid online have insufficient details or mismatched on names or the applicants details not provided in order for the revenue collector to issue the revenue receipt. There were also deposits made from institution for refinancing officers OPR, advance payment recovery and fund from donors that supported the operation of FPF.

## 20.6 Balances Carried Forward for Operating Trust Fund Account – Recurring Issue

Where charges are for payments to organisations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organisations, the creditor account shall be debited.<sup>41</sup>

<sup>39</sup> Fiji Police Finance Manual 2015 - Section 5.5.12

<sup>40</sup> Fiji Police Finance Manual 2015 - Section 5.5.13

<sup>41</sup> Fiji Police Finance Manual 2015 - Section 4.7.3

The closing balance for operating trust fund account as at 31 July 2024 was \$437,937. This included significant outstanding balance of \$386,930 or 88% carried forward from previous year with minimal movement noted during the year. Refer to Table 20.4 below for details.

**Table 20.4: Details of balances carried forward for operating trust fund account**

Allocation	Outstanding Balance (\$)		Movement (\$)
	31/07/23	31/07/2024	
12010120101861920	488,454	386,930	101,524
<b>TOTAL</b>	<b>488,454</b>	<b>386,930</b>	<b>101,524</b>

This indicated the possibility of mis-postings, non-clearance of the various deductions to respective authorities/organisation or the non-clearance of the entries on a timely manner. The balance was carried forward from the previous years and the Force was still in process of identifying and verifying the postings.

### **Recommendations**

- The Force should strengthen its internal control to ensure timely clearance of the operating trust balance and review the postings made in the FMIS General Ledger.
- Alternatively, the Force may consider liaising directly with the relevant authorities and seek confirmation that all dues were cleared for the respective periods.

### **Agreed Management Comments**

12010120101861920 (FNPF) – this consist of members contribution who have fully withdrew their funds but was deducted from the payments made to them and yet to pay the officers (dormant amount)

## **20.7 Police Band Trust Fund Not Reflected in FMIS GL – Recurring Issue**

Each year the Deputy Force Accountant shall prepare an annual trust receipts & payments statement within two weeks of the end of the year.<sup>42</sup> The audited financial statement of trust balances shall be included in the agency’s annual report.<sup>43</sup> Financial transactions shall be posted into automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.<sup>44</sup>

The Force’s Band Trust Fund records the receipts and payments incurred for the band entertainment provided to general public on request. The audit noted that, these transactions were neither recorded in the FMIS General Ledger (GL) nor reflected in the Force’s Financial Statements. The closing balance of the band trust fund was \$9,205 and \$33,913 as at 31 July 2023 and as at 31 July 2024 respectively.

The absence of request by the Force to Ministry of Finance to create a Trust Fund Account allocation has resulted in the transactions not recorded in FMIS General Ledger.

### **Recommendations**

#### **The Force should:**

- liaise with Ministry of Finance on reflecting the Police Band Trust Fund account in the FMIS General Ledger as receipts are derived from providing service to general public by Officers while on duty;

<sup>42</sup> Fiji Police Finance Manual 2015 - Section 14.4.5

<sup>43</sup> Fiji Police Finance Manual 2015 – Section 14.4.8

<sup>44</sup> Fiji Police Finance Manual 2015 – Section 15.2.1

- ensure that all revenue generated from the hire of band should be deposited into Consolidated Fund Account while the expenses should be channelled through the normal budgetary process; and
- develop a policy on the use of Police Band Trust Fund.

### Agreed Management Comments

We acknowledge the recommendation. We will discuss again with the Ministry of Finance on the way forward regarding the creation of operating trust fund allocation (Fund 9).

## 20.8 Fixed Assets Register Not Updated – Recurring Issue

All assets acquired with a cost in excess of \$2,000 shall be recorded in the Assets Module of the FMIS or a fixed assets register.<sup>45</sup> The Officer In-charge – Stores, Divisional Police Commanders, Unit/Formation Heads shall be responsible for maintaining the fixed assets register. The fixed assets register shall provide the following details:

- date of acquisition (including if asset was acquired by transfer, gift or second-hand) and cost;
- description;
- serial number and model;
- location;
- other relevant information (e.g. if asset is sold or written off).<sup>46</sup>

Review of sample payments revealed that fixed assets worth \$575,675 were not recorded in the Fixed Assets Register (FAR). Refer to Table 20.5 below for details for examples of fixed assets purchased during 2023/2024 financial year which was not recorded in the FAR.

**Table 20.5: Assets Not Updated in the Fixed Asset Register**

Date	EFT No.	Description	Amount (\$)
31/12/2023	900000082165	Payment of desktop	100,136
31/12/2023	900000082268	Payment of copier monochrome & color bizhub	42,446
31/12/2023	900000082268	Payment of copier monochrome & color bizhub	17,513
31/01/2024	900000083630	Payment for 29 fleet boat	39,600
31/03/2024	900000085690	Payment for solar system	30,500
30/06/2024	900000089944	Payment for 2*60HP Outboard engines	33,913
31/07/2024	900000090583	Payment for 5 laser speed detector	43,363
31/07/2024	900000090901	Payment of dragger equipment	70,098
31/07/2024	900000090144	Payment for solar system	43,261
31/07/2024	900000090267	Payment for solar system	28,696
31/07/2024	900000090188	Payment for solar system	25,500
31/07/2024	900000090152	Payment for solar system	17,870
31/07/2024	900000090086	Payment for solar system	28,696
31/07/2024	900000090443	Payment for cabin fibre glass boat	54,083
<b>TOTAL</b>			<b>575,675</b>

The finding indicated failure on the part of the Officer responsible for not updating the fixed asset register on a timely manner. This increases the risk of loss of fixed assets through theft and damages without being detected.

### Recommendation

<sup>45</sup> Fiji Police Finance Manual 2015 - Section 10.1.3

<sup>46</sup> Fiji Police Finance Manual 2015 - Section 10.2.1

**Recommendation**

**The Force should ensure that all items valued above \$2,000 are recorded in the Fixed Asset Register upon purchase and the Fixed Asset Register is up to date.**

**Agreed Management Comments**

*The recommendations is well noted. Manager Assets has been remaindered that all assets procured from various divisions are to be updated at HQ records.*

**20.9 Records Under Police Investigation – 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 unfavorable audit reports.<sup>47</sup>

Audit was not able to verify advances worth \$182,809 and supporting acquittals worth \$63,009 due to these records being under police investigation which relates to financial year ended 31 July 2022.

Audit has followed up on the investigation in the current audit for the year ended 31 July 2024 and noted that the investigation was still in progress. Refer to **Appendix 20.1** for details.

This finding indicates that the responsible officers were not being vigilant in their work and the lack of supervisory checks to ensure internal control in place were effective. As a result, audit could not ascertain the completeness and accuracy of these payments.

**Recommendations**

**The Force should ensure that:**

- **supervisory and review functions are strengthened; and**
- **the internal control mechanism in place is effective to avoid any possibilities of misuse of public funds.**

**Agreed Management Comments**

*We acknowledge the recommendation. The acquittals is still with CID and it will be returned once the case is close. Director CID has agreed for your team to view the acquittals at CID/HQ*

**20.10 Absence of an Approved Human Resources Manual – Recurring Issue**

The Human Resources Manual is intended to serve as a guide to the management of all employees of the Force on all aspects in the management of human resource personnel. It will also ensure that terms and conditions and related policies are correctly implemented.

The audit noted that the Force currently does not have an approved Human Resource Manual. The absence of an approved Human Resource Manual was due to draft Manual awaiting final endorsement. Absence of an approved Human Resources Manual may lead to inconsistent application of procedures.

### **Recommendation**

**The Force should expedite the endorsement of the Human Resource Manual to guide all employees of the Force and targeted officers who are involved in the execution of the human resources function.**

### **Agreed Management Comments**

*We acknowledge the recommendation. HRM Manual currently awaiting the AFP Embedded Consultant who will review the HRM process and systems as guided by our line minister in line with the Government FPF Reset.*

## **20.11 Storage of Exhibits – Valelevu Police Station – Recurring Issue**

Exhibits shall be stored in the Exhibit Store in chronological order. Where an exhibit is not kept in the Exhibit Store a card will be placed in the relevant place in the store indicating where the exhibit is kept.<sup>48</sup>

The audit carried out site visit of Exhibit Room on 13/4/23 and 24/01/24 and noted the following at the Valelevu Police Station:

- The exhibit rooms used at the stations are very small and congested.
- Exhibits were not systematically arranged in chronological order.
- Instances were noted where articles in the exhibits were stacked on top of one another.
- One of the containers used as storage had a jammed lock and could not be opened on the day of audit visit.

On 24/4/25, audit made a follow up visit to the Valelevu Police Station and noted that there were no changes to the storage of the Exhibits. Subsequent to the visit the Force had placed racks however the exhibits were not systematically arranged in chronological order. Refer to **Appendix 20.2** for details.

Inadequate storage space poses challenges in systematically arranging exhibits and maintaining tidiness of exhibit rooms. This can lead to exhibits being damaged or misplaced.

### **Recommendations**

#### **The Force should:**

- **ensure that all exhibits are properly stored in a safe and secured room at all times; and**
- **ensure that the exhibit are maintained in chronological order and exhibit rooms are always kept clean and tidy.**

### **Agreed Management Comments**

*We acknowledge the recommendation. The racks have been purchased and installed in the exhibit room in Valelevu Police Station.*

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<sup>48</sup>Force Standing Order No.203 – Section 21

## PART C: ASSESSMENT OF FINANCIAL REPORTING

### 20.12 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 closing process assessment
☀ Generally effective	5 key processes completed by due date

### 20.13 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 of the Force was:

Rating	Quality of Draft Financial Statements
☠ Ineffective	Adjustments on total expenditure, operating results/ net assets were more than one percent

### 20.14 Timeliness of Submission of Draft Financial Statements

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

Rating	Timeliness of Submission of Draft Financial Statements
☠ Ineffective	Acceptable draft financial statements received after 31 October 2024

### 20.15 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 Provision of Management Comments
✖ Ineffective	After 14 days from date of issue of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
✖ Ineffective	After 14 days from date of issue of Financial Statements for signing

**APPENDIX 20.1: Details of Advances and Supporting Acquittals**

## 1. Details of advances under investigation

Date	EFT No.	Voucher No.	Amount (\$)
22/09/2021	900000013059	243050	20,158
09/11/2021	900000013194	244887	21,579
09/11/2021	900000013194	244889	18,493
21/01/2022	900000013382	247735	13,119
25/01/2022	900000013415	247883	9,725
28/01/2022	900000013438	248069	17,229
28/01/2022	900000013439	248071	13,175
28/02/2022	900000013558	249670	21,579
11/03/2022	900000013562	250229	24,776
21/04/2022	900000013708	252415	22,976
			<b>182,809</b>

## 2. Details of supporting acquittals under police investigation

Date	EFT No.	Voucher No.	Amount (\$)
13/08/2021	900000731004	241904	8,000
02/11/2021	000000731033	244593	10,000
12/05/2022	000000731075	253895	10,000
14/02/2022	900000058934	248924	5,009
20/04/2022	000000731070	252298	10,000
27/06/2022	000000731087	256497	10,000
11/07/2022	000000731095	257695	10,000
			<b>63,009</b>

## APPENDIX 20.2: Examples of the Improper Storage at the Valelevu Police Station

Exhibit Room at Valelevu Police Station - Date of Visit 24/01/24



Exhibit Room at Valelevu Police Station - Date of Visit 24/04/25



Evidence provided by the Force of the racks purchased



## Head 49 Peacekeeping Missions

### Roles and Responsibilities

For more than 40 years, Fiji has responded to the call of the United Nations (UN) to serve in some of the most difficult circumstances around the world. Fiji has proudly contributed troops to successive peacekeeping operations in Lebanon, Sinai, Iraq, Syria, Timor – Leste, South Sudan, Darfur, Liberia, Bosnia, Kosovo, Kuwait, Namibia, Cambodia and the Solomon Islands.

The Republic of Fiji Military Forces and the Fiji Police Force currently serve in 5 out of the 14 current UN peacekeeping missions around the world and also serve in the non-UN mission in Sinai.

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## PART A: FINANCIAL INFORMATION

### 49.1 Financial Information

<b>AUDIT OPINION</b> UNMODIFIED	<b>TOTAL RECEIPTS</b> Nil	<b>TOTAL EXPENDITURE</b> \$60.41 MILLION
<b>REVISED BUDGET</b> \$61.79 MILLION		<b>UNUTILISED BUDGET</b> \$1.38 MILLION

### 49.2 Audit Opinion

The audit of the 2024 financial statements of the Peacekeeping Missions resulted in an unmodified audit opinion.

### 49.3 Appropriation Statement

The Mission incurred expenditure totalling \$60.41 million against a revised budget of \$61.79 million resulting in unutilised budget of \$1.38 million.

Details of expenditures against the revised budget are provided in Table 49.1.

**Table 49.1: Appropriation Statement**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	43,209,061	1,115,796	44,324,857	44,010,892	313,965
3	Travel & Communication	551,960	82,406	634,366	622,423	11,943
4	Maintenance & Operations	1,578,682	(1,055,091)	523,591	510,401	13,190
5	Purchase of Goods & Services	2,567,053	725,889	3,292,942	3,167,283	125,659
7	Special Expenditure	650,000	(394,910)	255,090	211,611	43,479
	<b>Total Operating Expenditure</b>	<b>48,556,756</b>	<b>474,090</b>	<b>49,030,846</b>	<b>48,522,610</b>	<b>508,236</b>
8	Capital Construction	---	---	---	---	---
9	Capital Purchases	6,605,856	3,602,408	10,208,264	10,024,487	183,777
10	Capital Grants & Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>6,605,856</b>	<b>3,602,408</b>	<b>10,208,264</b>	<b>10,024,487</b>	<b>183,777</b>
13	Value Added Tax	1,793,078	758,337	2,551,415	1,867,508	683,907
	<b>TOTAL EXPENDITURE</b>	<b>56,955,690</b>	<b>4,834,835</b>	<b>61,790,525</b>	<b>60,414,605</b>	<b>1,375,920</b>

## PART B: ASSESSMENT OF FINANCIAL REPORTING

### 49.4 Preparation of Draft Agency Financial Statements

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

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

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

Rating	Year-end closing process assessment
Effective	All 4 key processes completed by the due date

### 49.5 Quality of Draft Financial Statements

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

Rating	Quality of Draft Financial Statements
Effective	No adjustment required

### 49.6 Timeliness of Submission of Draft Financial Statements

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


Rating	Timeliness of Submission of Draft Financial Statements
Ineffective	Acceptable draft financial statements received after 31 October 2024

### 49.7 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 Provision of Management Comments
 Ineffective	After 14 days from the issue date of Draft Management Letter

Rating	Timeliness of Signing Audited Financial Statements
 Ineffective	After 14 days from the issue date of audited Financial Statement for signing



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