



OFFICE of the AUDITOR GENERAL
Republic of Fiji

OAG REPORTING TO PARLIAMENT GUIDELINE

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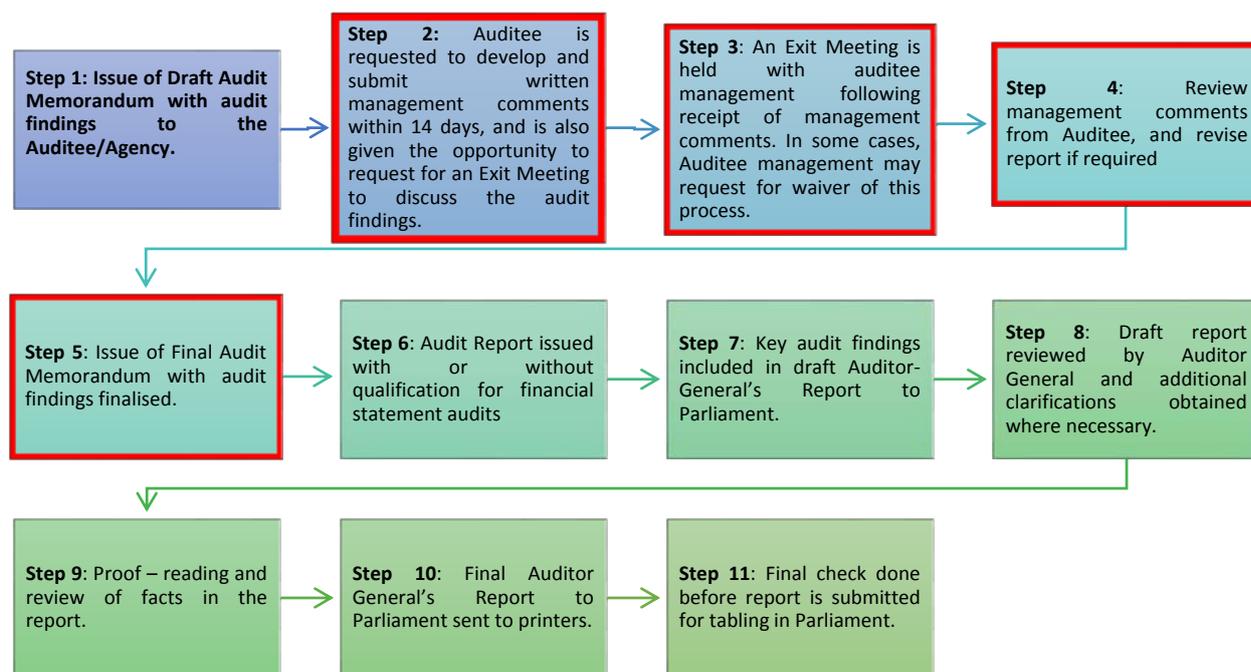
INTRODUCTION

- 1.0 The Office of the Auditor-General is established as an Independent Office by the Constitution of the Republic of Fiji. At least once every year, the Auditor General must report to Parliament on the audits conducted and on other significant matters the Auditor-General wishes to bring to the attention of Parliament.
- 2.0 As a result of its mandate, the Office of the Auditor-General has a distinctive view of the entire public sector of matters affecting financial and non-financial performance. We use this perspective to achieve our vision of “Promoting Public Sector Accountability and Sustainability through our audits”. Our vision can only be achieved when audits are completed on time and reported to Parliament on a timely basis.
- 3.0 The Office of the Auditor-General notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high quality reporting including recommendations which are not only value-adding to the entity subject to audit but its customers, the general public as well.
- 4.0 Majority of the agencies have been very cooperative throughout the audit process, however, some agencies have not given the work of the Office of the Auditor-General sufficient priority. The completion of audits and timely preparation of the Audit Reports to parliament has been hampered largely due the following factors:
 - (i) Draft Financial Statements submitted considerably late for audit or drafts submitted within the set timeline are found to be not acceptable hence need to be resubmitted.
 - (ii) Considerable delay in providing comments to draft management letters.
 - (iii) Cancellation of Exit Meetings or non-confirmation of date and time for Exit Meetings.
 - (iv) Not providing supporting documents to support management comments for audit verification prior to finalization of management letters.
 - (v) Delay in signing audited accounts and Management Representation Letters and returning them for issue of the Audit Report.

CURRENT VS REVISED PROCESS OF REPORTING TO PARLIAMENT

- 5.0 To effectively deal with the challenges described above and achieve the vision of OAG, the Auditor-General has approved the changes in processes of preparing reports to Parliament.
- 6.0 The changes to the Reporting Process of the OAG to Parliament, are outlined in red in the relevant steps in Figure 1 below, and explained in the subsequent paragraphs:

Figure 1: Current Reporting Process of the OAG to Parliament



MANAGEMENT COMMENTS (STEP 2)

- 7.0 Where management comments are not provided within 14 days from the date of issue of the Draft Management Letter by the OAG to the agency/entity, it will be assumed that the agency/entity has agreed to the recommendations made and Final Management Letter/ Audit Memorandum will be issued as required by section 6(4b) of the Audit Act 1969.
- 8.0 Significant audit findings will be reported to Parliament without agency/entity comments.
- 9.0 The inclusion of management comments in Final Management Letters has been done in the past by OAG as it is considered best practice for auditors.
- 10.0 Management comments provided will now be included as part of the audit findings write up. The current practice of including management comments separately will be discontinued.
- 11.0 Audit recommendation(s) will appear the last section in on audit findings write-up.

TIMELINE FOR EXIT MEETINGS WITH AGENCY/ENTITY (STEP 3)

- 12.0 Exit meetings will be held within a week from the date of receipt of management comments. This should be confirmed when management comments are submitted by the agency/entity to the OAG.
- 13.0 If no confirmation on the exit meeting is received from the management of the entity/those charged with governance, the Final Management Letter will be issued by the OAG on the assumption that the entity/agency does not wish to meet and discuss the issues.
- 14.0 The onus to arrange for exit meeting rests with the management of the entity or those charged with governance.

MANAGEMENT COMMENTS AND SUPPORTING DOCUMENTS (STEPS 4 & 5)

- 15.0 In cases where management comments or information provided during the audit are found to be false, misleading or incorrect upon audit verification, the matter will be dealt in accordance with section 7(1)(d) of the Audit Act 1969.

Section 7(1)(d) states that “in the performance of his or her functions under section 152(2) of the Constitution of the Republic of Fiji and of his or her duties under this Act, the Auditor-General may examine upon oath, declaration or affirmation (which oath, declaration or affirmation the Auditor-General hereby empowered to administer) all persons whom her or she may think to examine respecting the receipt or expenditure of money or the receipt or issue of any stores affected by the provisions of this Act and respecting all other matters or things whatsoever necessary for the due performance and exercise of the duties and powers vested in him or her.”

Section 7 (3) of the Act further states that “Any person examined pursuant to the provisions of section (1)(d) who gives a false answer to any questions put to him or her or makes a false statement on any matter knowing or believing it to be true shall be deemed to be guilty of perjury and shall be liable to be prosecuted and punished accordingly.”

- 16.0 The relevant provisions of the Act will also be applied to cases where records and/or information required for audit purposes are not provided when requested during the audit and are produced after the issue has been reported in the Draft Management Letter or Draft Audit Report or not provided at all.

TIMELINE FOR RETURNING OF SIGNED AUDITED ACCOUNTS (STEP 6)

- 17.0 Where audited accounts are not signed and returned with the Management Representation Letter (MRL) within 7 days from the date of issue, significant audit findings will be reported to Parliament. The abridged financial statements will be included in the report with a statement stating the date, the accounts were sent to the agency/entity for signing.

ACCOUNTING/AUDIT ADJUSTMENTS

- 18.0 The OAG will not deal with any accounting adjustments such as variances between agency/FMIS balances noted after closure of accounts. Agencies should be regularly reconciling their records with FMIS throughout the course of the financial year.
- 19.0 An audit adjustment may be proposed/recommended by the Auditor-General during the audit to correct the general ledger/financial statements. Any material adjustments arising from an audit will be submitted for adjustment using the relevant tab in Financial Management Information System.
- 20.0 The audit adjustments will be subject to the concurrence of the relevant agency/entity before realized in the financial statements being audited.

