

Relationship building

FMIS IN ACTION

Entering into June 2005, the FMIS Team takes a look at how far they have progressed in introducing a new financial management information system across whole of government. It wasn't easy, that's for sure.

The frequent delays in the process of selecting the right system, pressures on the extent of costs involved, the frantic pace of collating quality research data, etc. were just some of the challenges faced by the FMIS Team in striving to obtain a financial management information system (FMIS) that would meet the needs of whole of government.

The FMIS Team comprises eight hardworking individuals who are frequently seen hurrying off to meetings with officials within various ministries and departments.

A large part of their work involves gathering information mainly from the accounting cadre. To facilitate this process, each team member was made responsible for certain ministries/departments.

Such an approach was mutually beneficial for the FMIS Team and the accounting cadre for a number of reasons. Firstly, it enhanced communication between ministries/departments and the FMIS Team. When you knew the person at the other end of the phone, it was easier to ask for assistance and be understood. This approach also encouraged a supportive on-going relationship. The FMIS Team has become a familiar sight in ministries/departments.

Recently, during the data collection phase for the newly designed chart of accounts, an accounts officer from one of the ministries complimented the FMIS Team on its efforts in informing ministries/departments of the latest developments in the FMIS



TOP: SSA Global executives at a recent FMIS workshop
BOTTOM: Participants enjoy a light moment

implementation project and assured them of the ministry's support. Thus it increased motivation and became easier to obtain information.

Of course this is not always the case. At times some accountants try to avoid the FMIS Team or are not receptive. The excuse most often used is "I am too busy". A valid

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Initial Roll-Out of Financial Authorities

Its been six long awaited months since the Financial Management Act and the Finance Instructions 2005 (FI) came into force and finally, the Ministry of Finance has authorised a group of Chief Executive Officers (CEOs) to exercise the virement authorities provided to them under provision 10 of the FI.

One may ask why the delay or why only a certain number of CEOs have been given authority to exercise this function? The answer lies in the development and finalization of each agency's Finance Manual.

Agencies have been continuously advised that their Finance Manuals have to be completed and issued prior to the roll-out of any financial authorities to CEOs and yet there is continuous delay in the completion this exercise.

There may be several contributing factors - the lack of training on how to prepare the FMs, difficulties in understanding what is required or simply not placing enough emphasis on this important exercise. Whatever these difficulties may

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Finance Management: Reform of Procedures & Personnel

I have had the privilege to be involved in the finance management reform process since mid 2004. My work as a training facilitator has brought me into contact with a number of senior executives from various ministries as well as many trainees and of course the officers working at the finance management reform unit.

Professor Michael White
University of the South Pacific

In every encounter I have found a positive attitude towards the changes the reform processes are bringing to the public service. This is most heartening, as by and large we dislike change. Change disrupts our way of life and we are all apt to become comfortable in our way of life even if we recognise that it is less than ideal.

Indeed, we often refer to life's routine, which we have learned to cope with, as our comfort zone. A willingness to change reflects that we acknowledge the need for improvement in finance management process and we are prepared to leave our comfort zone in order to achieve it.

We have now passed the half way mark in the training programme and are therefore well on our way in building up the technical capacities required to see the reform process through.

However, the success of the reform process does not depend solely on upskilling. It also requires many of us to accept change in our responsibilities and for some of us to develop the ability to delegate.

The Financial Management Act 2004 (sections 73 and 74) provides for the delegation of powers from ministerial and senior executive levels to other officers within a government agency.

This is a radical provision as it enables each agency to relocate the decision making

function away from the point of authority to the point of expertise. Applying these provisions successfully will certainly help to streamline financial administration processes.

For this to happen those in authority must have confidence in the ability of their subordinates and the subordinates must have confidence in their own expertise. Government agencies have successfully taken on the challenge of embracing the new finance management procedures. Civil servants, particularly those in the accounting function must also accept the challenge of change in the way we go about the business of government. I look forward to seeing this challenge being met with the same success.



Relationship building

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excuse but surely an hour or two can be set aside for other matters. After all the FMIS implementation is across whole of government and not only for the Ministry of Finance.

These changes are part of the financial management reforms that are legislated under the Financial Management Act 2004. Everyone needs to work together to ensure a successful implementation, which will improve the quality of services, at least financially.

On May 20, management and accounting personnel across government were invited to an awareness briefing at the Southern Cross Hotel, which focused on the broad implementation plan of the FMIS, features of the system and the roles of ministries/departments during the implementation.

The turnout was encouraging with more than 100 participants.

At the moment the FMIS Team is involved in developing an interface specification to allow the whole of government payroll system interface salary actuals to the new FMIS. To facilitate this requirement, FMIS has been collecting new cost centres from all ministries for payroll purposes.

Feedback has been quick with some being received the same day. These accounting personnel must be complimented for their quick response as it indicates the increasing level of support for the FMIS implementation and understanding of the complexity of work involved.

It is generally understood that change management programmes must be carefully planned to ensure that change is accepted and successfully implemented. The implementation of the new FMIS is no exception.

The FMIS Team must continue to strengthen their relationships with ministries/departments to ensure future cooperation and sustainability of the good work contributed by the accounting personnel.

FMR from the Ministry of Education Perspective

The Ministry of Education, which is allocated 22 per cent of the National Budget and which has the largest civil service workforce, welcomes the introduction of the Financial Management Reform (FMR) in Government.

Piloting of the project in the Ministry of Education is a very big challenge for my staff, a challenge we are geared to meet and have accepted with vigour.



One of the primary benefits of the FMR is that it allows more of my non-finance managers and staff at all levels in the organisation the opportunity to participate and appreciate the new direction in which financial resources in the Ministry are to be effectively managed in the future.

The Reforms in the Government financial and accounting systems were long overdue.

I strongly believe that the reforms are a way forward to improving the way things are done in terms of greater accountability and transparency in the financial system.

In a large Ministry like Education, it is vitally important that there is flexibility in the system to accommodate the urgent

commitments of the Ministry wherever possible. The Financial Management Reform, therefore, can assist us in the efficient and effective delivery of our responsibilities and duties.

The delegation of powers to CEOs, as well as uplifting of financial restrictions in the procurement of goods and services, under the FMR, is especially commendable.

I wish to highlight some key areas of progress already made in the Financial Management Information System (FMIS) in my Ministry. These include: -

- Greater awareness among staff of the financial concepts and applications such as cashflow forecasting, performance budgeting and the like.
- Extensive staff training and awareness workshops provided by FMR.
- Upgrading of our Chart of Accounts and automation of procedures and systems.
- Finance is being given equal focus as other core education functions by non-finance managers.

It is my sincere belief that the Ministry of Education will benefit from the FMR in better managing its financial resources in the future.

FMR Awareness Workshops

FMR continues to conduct awareness workshops for all four divisions. Presentations were conducted for the Northern Division on 21-22 June and the Western Division on 28-29 June. However, workshops for the Eastern & Central Division are scheduled as follows:

Eastern Division	5/7/2005	Ovalau	DO Lomaiviti's Conference Room	9.00am – 12.00pm	One session
Central Division	7/7/2005	Nausori	Commissioner Central's Conference Room	9.00am – 12.00pm	One Session
	7/7/2005	Korovou	DO Korovou's Conference Room	2.00pm – 4.30pm	One session
	8/7/2005	Navua	DO Navua's Conference Room	9.00am – 4.30pm	One session

Initial Roll-Out of Financial Authorities

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be, it is hoped that the initial roll-out will encourage and motivate other agencies to fulfil this requirement.

Agencies that have completed their FMs and are now exercising virement authorities are as follows: (i) Fijian Affairs, Culture and Heritage, (ii) Provincial Development, (iii) Education, (iv) Health, (v) Tourism, (vi) Public Enterprises and Public Sector Reform, (vii) Agriculture, Sugar and Land Resettlement, (viii) Information, Communications and Media Relations, (ix) Youth, Employment Opportunities and Sport, (x) Local Government, Housing,

Squatter Settlement and Environment, (xi) Ombudsman's Office and (xii) the Auditor-General's Office. Others will be given this authority as and when they complete their FMs.

When exercising virement authorities, the FI as well as Finance Circular 7/2005 dated 7th June clearly specifies the authorities and limitations of CEOs when transferring budgeted funds.

This however is not applicable to parliamentary bodies as they are treated as independent bodies reporting directly to Parliament. Nevertheless, the

procedural requirements specified in the aforementioned circular and the agency FMs are applicable to all agencies must be complied with at all times. Failure to do so may result in the withdrawal of the virement authority.

This initial roll-out of the authorities and functions in the Financial Management Act and the FI signals the start of many new and rewarding challenges for agencies as a whole. Agencies are encouraged to submit and finalise their FMs if they have not already done so, to allow for the gradual implementation of other authorities and functions.



Training Highlights

Name of Course: Training of Trainers for Financial Management Reform [FMR]

Date: 13 – 14 July 2005

Venue: Public Service Centre for Training and Development, Nasese

Time: 8.30am – 4.30 pm daily

Facilitators: University of the South Pacific & Public Service Centre for Training and Development

Target Group: The training is targeted at senior accounting personnel who have the capability to train their staff on the procedures and practices, which underpin the Finance Instructions and Finance Manual introduced under the Finance Management Reform Act.

The nominated person should have attended the training courses Finance Instructions, Finance Manual 1 & II that were conducted by the University of the South Pacific. The officer must be articulate and have the ability to disseminate relevant information on the reform.

Participants will be expected to develop a short training presentation to be made and reviewed within the training exercise and therefore they are requested to bring materials relating to an internal control activity employed within their agency that can be used in developing this presentation.

Ministries are requested to nominate only one officer for the training and nominations should be forwarded to the Training Division of the Ministry of Finance by Friday 1st July 2005. Agencies that have a substantial accounting function outside Suva may nominate more than one representative.

Trade & Manufacturing Account (TMA)

Review on time & on track & nearing completion

The review on Trading and Manufacturing Accounts (TMAs) is currently on track and is expected to be completed in early July. The consultants from the ChangeFactory (Fiji) Limited, together with analysts from the Ministry of Finance Asset Management Unit (AMU) have been working around the clock to complete this mammoth review.

The Ministry of Finance is grateful to AusAid for funding the TMA Review and ChangeFactory's efforts as this is the first time such a large scale review of TMAs has been undertaken.

The review has given the Asset Management Unit the opportunity to develop and improve a range of skills.

The Asset Management Unit has undergone skill development in the areas of financial analysis, market analysis, project management, client engagement and business process review.

In late June, AMU analysts will also be developing their training delivery skills.

The review is in its final phase which includes the analysis of the financial viability of TMAs, the provision of training on financial reporting and business plans.

Also in the final phase is the development of the monitoring mechanism for the Asset Management Unit.

The Unit is looking forward to the 'on time' completion of the review.

The AMU will be closely monitoring TMAs, providing the necessary feedback and guidance to ensure they meet their goals

Update your Training Calendar

Demonstration on prototype Chart of Accounts (COA)	
Ministry of Education only	27 June – 1 July
FMIS Basic PC training for pilot departments only	6 July
FMR Train the Trainer Course	13 July – 14 July
FMIS Final COA to all Min/Depts	2 Aug – 4 Aug
FMIS Train the Trainer for Super Users	
(i) Ministry of Health	8 Aug – 9 Aug
(ii) Ministry of Women & Social Welfare	5 Sept – 30 Sept
(iii) Ministry of Finance	10 Aug – 18 Oct
(iv) Ministry of Education	18 Aug – 3 Nov
FMIS Customization of Manual (Pilot Depts)	19 July – 28 Oct
FMIS Implementation (Pilot Depts)	1 Aug – 25 Nov
FMIS End User Training (Tentative)	
(i) Ministry of Health	16 Aug – 19 Aug
(ii) Ministry of Women & Social Welfare	31 Oct – 8 Nov
(iii) Ministry of Finance & Ministry of Education	16 Nov – 25 Nov

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