

FINANCIAL MANAGEMENT REFORM CHANGE LEADERS BRIEFING

FMR IMPLEMENTATION UPDATE

(For Information)

1.0 Introduction

- 1.1 This paper provides an update of the FMR implementation progress, focusing on the major components of FMR.

2.0 Finance Instructions & Finance Manual

- 2.1 The Finance Instructions (FI) and Manual was endorsed by Cabinet in its meeting on 14 December 2004 and distributed to all ministries and departments. A Finance Circular was also issued to inform ministries and departments on these documents and the effective dates of implementation.
- 2.2 Eight Departments have submitted their financial manual.

3.0 Change Management

3.1 Training

The University of the South Pacific had implemented its second round of training from 17-24 January 2005 and 17-28 January 2005 for those officers in the Western and Northern Divisions respectively. A repeat session for the Finance Instructions & Finance Manual courses was held for Suva from 27 January 2005 to 4 February 2005.

The next round of training will be for *Performance Budgeting*. This course targets senior managers involved in formulating budgets for Ministries and Departments.

3.2 Communication

As part of the communication process to create awareness on FMR:

- 4.1.1 **Newsletter:** The fourth issue of the FMR newsletter is being finalised and will be printed by the end of February.

1

- 4.1.2 **Website:** The team continues to update the web page (available on the Ministry of Finance web site). Available from the FMR web page are: past issues of FMR Newsletters; presentations on the FMR Framework; Performance Budgeting and

FMIS; FMR Change Leaders Briefing Update Papers; consultancy vacancies; speeches; Finance Act and general FMR Publications.

4.1.3 **FMR Awareness Briefing Program**: The FMR team has concluded its FMR awareness briefings in the Northern, Western, Eastern and Central divisions. Another briefing is planned for the end of the 1st quarter.

4.1.4 **FMR Guide books**: Guides to FMR Policy Framework, Financial Management Act 2004 and Frequently Asked Questions on FMR has been printed. These will be distributed to Ministries & Departments through Change Leaders.

5.0 Performance Budgeting

5.1 Training on Performance Budgeting will be undertaken by USP and will be held during USP's mid-semester break.

6.0 FMIS

6.1 The contracts for the FMIS have been executed. SSA Global consultants are expected to arrive on 22 February. We will begin with phases 1 and 2 of the implementation. Phase 1 is the version upgrade from 1.3 to 2.0. Phase 2 is housekeeping. In this phase, redundant/obsolete data will be removed from the system.

6.2 The judicial review sought by Pacific Connex relating to the awarding of the FMIS Tender to SSA Global Inc. has been withdrawn by their solicitors. The High Court awarded costs to be paid by Pacific Connex to the Ministry of Finance in the sum of \$500.

6.3 The evaluation for the FMIS Project Manager has been completed. Major Tenders Board has endorsed the recommended applicant by the Evaluation Committee. He is expected to sign the contract before 28 February 2005.

6.4 Tender for the supply of servers, computers, network equipment and back ups system was released on 4th February by ITC through Government Supplies. Closing date for the tender is 10th March. Evaluation for the tender will be handled by the ITC Department.

7.0 Recommendation

7.1 The FMR Steering Committee is invited to:

(i) note the progress as highlighted in the paper.