FMR Paper No 6/2005

FMR CHANGE LEADERS BRIEFING

FMR IMPLEMENTATION UPDATE

(For Information)

1.0 Introduction

1.1 This paper provides an update of the FMR implementation progress for the month of July 2005, focusing on the major components of FMR.

2.0 Finance Manual

2.1 Fourteen (14) Finance Manuals have been completed and these are:

- Ministry of Tourism
- Ministry of Education
- Ministry of Agriculture, Sugar & Land Resettlement
- Ministry of Fijian Affairs, Culture & Heritage
- Ministry of Provincial Development
- Ministry of Information
- Office of the Ombudsman
- Ministry of Public Enterprise &Public Sector Reform
- Ministry of Health
- Office of the Auditor-General
- Ministry of Youth, Employment Opportunities & Sport
- Ministry of Local Government, Housing, Squatter Settlement & Environment
- Ministry of Works and Energy
- Ministry of National Reconciliation, Unity & Multi-Ethnic Affairs
- Ministry of Labour
- Ministry of Foreign Affairs

2.2 There are forty-nine (49) finance manuals expected from ministries and departments and Judicial is the only department yet to submit the 1st draft of their finance manual.

2.3 The FMR team has continued to review the finance manuals submitted. Since the end of June 2005 the team has received only one revised finance manual. The various stages of review is attached as **Annex 1.**

- There are still delays on the part of ministries and departments in forwarding these finance manuals for review. After the previous update in

June the team feels that there is no drive from the ministries and departments in completing the outstanding manuals.

3.0 Performance Budgeting

3.1 Budget Division is currently reviewing submissions by line agencies and preparing responses with further suggestions. Following finalisation of output specification, line agencies will begin work on allocating their programme budgets across outputs. Budget Division is in the process of preparing worksheets for line agencies, which may be useful tools for tracking the cost allocation process and reconciling numbers. Consultations will commence in respect of the specification of performance indicators.

3.2 As might be expected, there is a significant variance in the quality of the submissions. An interesting point to note is that the pilot ministries have not necessarily been the best performers.

3.3 Furthermore, those ministries that received the greatest contact hours with Budget Division staff and the consultant prior to submitting their initial output specifications have not necessarily been the best performers. The major determinant of the quality of submissions has been the aptitude of the personnel managing the process within each line agency.

3.4 Coordination with the teams implementing the Budget Preparation System and the Accounting and Budget Control System is also important. There are a number of database management, chart of account issues and system interface issues that are currently under discussion and will require further work.

3.5 A review has been undertaken of training carried out to date. Some new training material has been developed and it is clear that there needs to some further work in the area of integrating the Portfolio Performance Statement (PPS) with the Annual Corporate Plans (ACP) and the Annual Reports of line agencies.

3.6 Considerable momentum has been gained in terms of the implementation of output budgeting for the 2007 financial year. The intention is to introduce performance budgeting on a gradual basis with significant effort being made to introduce the appropriation of monies based on outputs in the 2007 Budget.

4.0 Change Management

4.1 Newsletter

The fifth issue of the FMR Newsletter for May/June has been distributed to all ministries and departments.

4.2 FMR Awareness Program

The team has completed the following awareness programs for the month of June in the Northern & Western division, Nausori, Navua, Korovou and Ovalau. The team will continue to undertake these awareness programs as and when required.

4.3 Training

The next set of training is shown in **Table 1** below.

Table 1 Future Approved Training

Course	Date	Course Provider
Business Planning	August	USP
Annual Report	November	USP
FMIS	To be decided	SSA Global
Awareness Program	June & Nov	FMR Team

The training of the trainers program was completed on 13th & 14th July 2005 with the objective of getting officers in ministries and departments to undergo training and then undertake the training on the FMR in their respective ministries and department. A total of thirty (30) participants attended the course from all ministries and departments.

4.4 Business Planning

USP has commenced the initial consultancy work with regards to the Business Planning course. The course is directed towards ministries and departments that have TMA accounts in operation. A list of contact officers have been forwarded to USP to facilitate the training requirements.

5.0 Delegation of Authority

5.1 The authority to vire funds has been formalised via Finance Circular 7/2005 dated 7th June 2005.

5.2 The write-off policy will be presented to the Accounting Heads forum for comments on its operational procedures before the Finance Circular to delegate write-off authority is issued.

5.3 The authority for all CEOs to exercise virement and write off authorities will be individually authorised in writing to each CEO once they have completed and signed off their Finance Manuals (FM).

6.0 Recommendation

5.1 The FMR Change Leaders are invited to:

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

FMR Project Office
Ro Lalabalavu House
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