

**FMR - CHANGE LEADERS BRIEFING
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 Drafting of the new Finance Management Bill

2.1 The Lower House passed the Financial Management Bill on Thursday, 7 October 2004.

3.0 Drafting of Finance Instructions

3.1 The draft Finance Instructions has been circulated to ministries/ departments for their comments and should be finalised by 31 October 2004.

3.2 The draft proforma Finance Manual is currently being consolidated and reviewed by the FMR team and will be distributed amongst the Ministry of Finance officials for their feedback. The final copy is expected to be issued to Ministries/Departments in early November and will serve as a guide for CEOs to develop their respective agency Finance Manuals.

4.0 Change Management

4.1 Training

4.1.1 Training on the new legislation will be done in two parts: the first on the legislation and a combined one on the Finance Instructions and the Finance Manuals. A training needs analysis is currently being conducted to gauge the level of training required for the different levels of officers. The course content and the duration of training will be determined once this exercise has been completed.

4.2.1 Training on the legislation is expected to commence in November/December.

4.2 Communication

- 4.2.1 The second issue of the FMR newsletter has been circulated to Ministries and Departments. The FMR website has been updated monthly. The project team continues to conduct presentations to Ministries/Departments on the FMR progress upon request.
- 4.2.2 The Change Leaders briefing agreed that briefing venues be rotated amongst the Ministries to generate awareness. The FMR Project Team has established and assigned desk officers for each Ministry, whom Change Leaders will directly contact for assistance on any matters relating to the FMR.
- 4.2.3 Efforts have also been made to organise FMR awareness briefing with media organisations to facilitate positive reporting on FMR and also build a good working relationship. A number of these organisations have expressed interest and the first two presentations were made to Fiji TV and the Fiji Sun on the 20th and 24th of September, respectively.
- 4.2.4 Drafting of the following Guidebooks have been completed as well as edited. Arrangement is being made to have them printed before end of November.
- (i) Frequently Asked Questions on FMR
 - (ii) Guide to FMR Framework
 - (iii) Guide to Financial Management Bill 2004
 - (iv) Guide to Annual Corporate Plan (still awaiting feedback from PSC)
 - (v) Guide to Annual Reports
 - (vi) Guide to Measuring the Performance of Government Agencies

Copies of these guidebooks will be circulated to Ministries/Departments and also be made available on the FMR web page.

5.0 Performance Budgeting

- 5.1 Questionnaires were distributed to ministries/departments through Change Leaders on their first briefing session on 15 August 2004. The preparation of the 2005 budget proposals are aligned to the changes being effected through FMR in terms of specifying outcomes, outputs and performance measures which are linked to the refined Annual Corporate Plans (ACP-Phase I). Feedback on these questionnaires is intended to:
- evaluate the internal processes that were followed when preparing the annual corporate plans and budget submissions;

- assess the difficulties faced by the ministries and departments in specifying their outcomes, outputs and performance measures; and
- obtain feedback on the corporate plan template and budget submission forms.
- The FMR Unit has noted the slow response in the completion of these questionnaires and would urge Change Leaders for their assistance in following up within their respective Ministries/Departments.

6.0 FMIS

- 6.1 A new financial management system (FMIS) is required to support the FMR. Evaluation of a supplier is currently being conducted and undergoing the last stages of the process.
- 6.2 The site visits have been completed and the preferred supplier will be chosen by the Evaluation Committee and recommended to CEO by 1/10/04. Timelines for evaluation has been further revised to allow further scoping study by the preferred supplier to firm up on the costs before forwarding the proposal to the Major Tender Board for approval. The Major Tender Board's approval is expected to be obtained by 4th December, following which will be the contract negotiation that should be completed by mid December.
- 6.3 FMIS awareness consultations with accounting divisions of ministries/departments were conducted during the months of August/September.

7.0 Recommendation

- 7.1 The FMR Change Leaders are invited to note the progress as highlighted in the paper.

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