

CIRCULAR NO: 16/2006

7th August 2006

FIN: 10/1/69

FROM: Chief Executive Officer, Finance & National Planning

TO: All Chief Executive Officers and Heads of Departments

SUBJECT: GUIDE TO PREPARING AGENCY ANNUAL REPORT

1.0 Objective

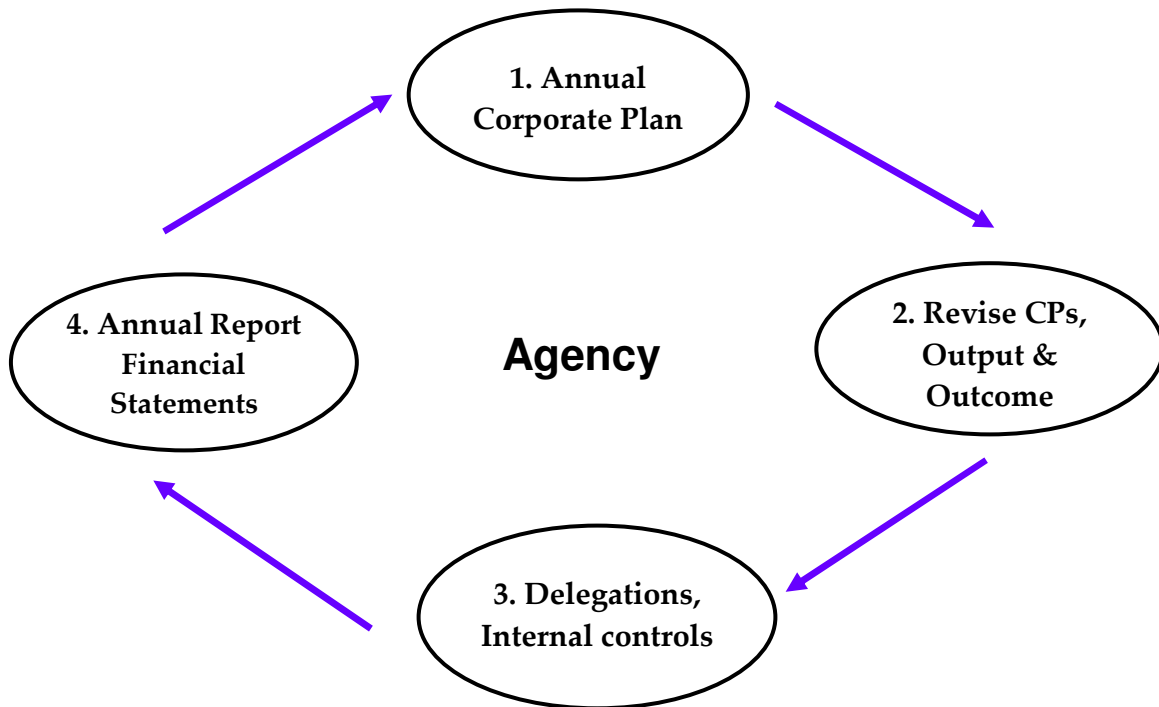
- 1.1 The objective of this circular is to inform Chief Executive Officers of the adoption of the *Agency Annual Report* and the *Agency Annual Financial Statements* formats that has to be prepared by all agencies to comply with the requirements of the Financial Management Act 2004.
- 1.2 The annual report comprises a brief summary of an organisation's overall performance compared to the performance indicators outlined in the annual corporate plan (prepared in relation to the year to which the annual report relates) and actual financial results against budgetary provisions for the financial year.
- 1.3 The annual report seeks to strengthen accountability for the use of resources allocated to the Chief Executive Officers of the respective agencies and is tabled by the responsible Minister in Parliament.
- 1.4 All agencies will have to prepare and submit the annual report for the financial year ending 2006.
- 1.5 A *Guide to Preparing Agency Annual Report and Agency Annual Financial Statements* has been developed to assist agencies in compiling the annual report.

2.0 Requirements of the Financial Management Act 2004

- 2.1 Section 28 of the Financial Management Act 2004 states that the Chief Executive Officer of each agency is responsible for the preparation of the annual reports and financial statements for their agency.
- 2.2 Under Section 49 of the Act, the annual report must be tabled in the House of Representatives by the responsible Minister.
- 2.3 Section 50 of the Act requires that the annual financial statements must be audited by the Auditor-General and be accompanied by his or her audit opinion.

3.0 The Agency Reporting Cycle

- 3.1 The following diagram illustrates the cycle of planning that agencies should follow to determine output targets and the actual results achieved for the resources allocated to their agency.



Components 1, 2 and 3 of the cycle have already been implemented. Component 4 will now be effective.

- 3.2 Chief Executive Officers will have to combine the *Agency Annual Report* and the *Agency Annual Financial Statements* formats and prepare only one annual report for their agency. The Heads allocated through the Budget Estimates determine the financial accountability mechanism established for agencies to use for their reporting requirements.
- 3.3 The only agency that has more than one head to administer is Ministry of Finance. Heads 50, 51 and 52 will have to be incorporated with head 04.

4.0 Timeline

- 4.1 The Financial Management Act clearly outlines dates for which a number of deliverables relating to the annual agency report needs to be completed. The chart below identifies these deliverables and the date these have to be concluded.

Date	Deliverable	Responsibility
31 st March <i>or as agreed</i>	Draft of the agency annual report submitted to the Auditor -General	Chief Executive Officer
29 th May	Agency annual report audited and audit opinion provided	Auditor General
30 th May	Agency annual report submitted to responsible Minister	Chief Executive Officer
7 th June <i>or 3 sitting days if the House is not sitting in that week</i>	Agency annual report to be submitted to the House of Representative	Responsible Minister

5.0 Training

- 5.1 The University of the South Pacific has been appointed to provide training provider by the Government as it seeks to strengthen the human resource capacity to meet the changes brought through the financial management reform.
- 5.2 The University of the South Pacific will conduct four (4) days workshop in November on compiling annual reports, which includes preparation of the agency financial statements.

- 5.3 Agencies are also requested to seek the assistance of the FMIS Section in producing the financial statements. With the introduction of the new financial management information system that is enhanced with better reporting tools, financial data can be extracted in a qualitative manner with the highest level of accuracy.
- 5.4 A report request form has to be filled and submitted to FMIS Section for the creation of any financial report and a copy of the form is attached.

6.0 Conclusion

- 6.1 Chief Executive Officers should ensure that the senior accounting officers are involved in the preparation of the annual agency report and they are to:
- adheres to the format of the *Guide to Preparing Agency Annual Report* and the *Agency Annual Financial Statements*;
 - attends the training organised through the University of the South Pacific which is scheduled in November;
 - provides the FMIS Section with the various report request forms; and
 - ensure the timeline in paragraph 4.0 is complied.
- 6.2 For any clarifications on the contents of this circular or the *Guide to Preparing Agency Annual Report* and the *Agency Annual Financial Statements*, please contact Zakir Hussain on phone 330 7011 Ext. 2186 or email zhussain@govnet.gov.fj.
- 6.3 We look forward to your continued support in ensuring the successful implementation of the financial management reforms.

Paula Uluinaceva
Chief Executive Officer, Finance and National Planning

Distribution:

Official Secretary, Office of the President
Chief Executive Officer, Office of the Prime Minister
Chief Executive Officer, Public Service Commission
Solicitor General, Office of the Attorney General
Commissioner of Prisons, Prisons Department
Chief Executive Officer, Ministry of Justice
Chief Executive Officer, Ministry of Education
Chief Executive Officer, Ministry of Health
Chief Executive Officer, Ministry of Fijian Affairs, Culture, Heritage and Regional Development & Natural Disaster Management
Director, Department of Culture and Heritage
Chief Executive Officer, Ministry of Home Affairs and Immigration
Director of Immigration, Immigration Department
Commander, Fiji Military Forces
Commissioner, Fiji Police Force
Chief Executive Officer, Ministry of Labour, Industrial Relations & Productivity
Chief Executive Officer, Ministry of Foreign Affairs and External Trade
Auditor-General, Office of the Auditor-General
Supervisor of Elections, Elections Office
Chief Registrar, High Courts
Secretary General to Parliament
Ombudsman, Office of the Ombudsman
Director of Public Prosecutions
Chief Executive Officer, Ministry of Information, Communications and Media Relations
Chief Executive Officer, Ministry of Public Enterprises and Public Sector Reform
Chief Executive Officer, Ministry of Women, Social Welfare and Poverty Alleviation
Chief Executive Officer, Ministry of Multi-Ethnic Affairs and National Reconciliation
Chief Executive Officer, Ministry of Local Government, Housing, Squatter Settlement and Environment
Director of Environment
Director of Social Welfare
Chief Executive Officer, Ministry of Works and Energy
Chief Executive Officer, Ministry of Youth, Employment Opportunities and Sports
Chief Executive Officer, Ministry of Agriculture, Sugar and Land Resettlement

Agriculture Tribunal
Chief Executive Officer, Ministry of Fisheries and Forest
Chief Executive Officer, Ministry of Lands and Mineral Resources
Chief Executive Officer, Ministry of Commerce, Business Development and Investment
Chief Executive Officer, Ministry of Tourism
Chief Executive Officer, Ministry of Transport and Civil Aviation
Controller Government Supplies
Deputy Secretary, National Planning
Deputy Secretary, Ministry of Regional Development
Director & Registrar, Department of Co-operatives
Director, Department of Energy
Director, Mineral Resources Department
Director, Department of Civil Aviation
Director Meteorological Services
Deputy Secretary, Communications
Director, Government Shipping Services
Director, Fiji Islands Maritime Safety Administration
Government Statistician
Government Archivist
Manager, Information Technology & Computing Services
Government Printer