Republic of Fiji

IMPROVING PUBLIC SERVICE DELIVERY THROUGH FINANCIAL MANAGEMENT REFORMS – A CASE STUDY OF FIJI

THE COMMONWEALTH ADVANCED SEMINAR ON LEADERSHIP AND CHANGE IN THE PUBLIC SECTOR

Wellington, New Zealand
20th February – 3rd March, 2006

Ministry of Finance and National Planning
Budget Division
Introduction

The Problem

Fiji is a small island developing state characterized by the following:
- Lack of resources;
- Low economic growth;
- High population growth;
- Low GDP per capita;
- Growing unemployment & poverty;
- A large public sector, personnel expenditure accounts for over 35% of public expenditure;
- Continuous ineffectiveness and inefficiencies in the public sector;
- Continuous wastage, mismanagement and abuse of public funds; and,
- Allocative inefficiencies etc.

Consequently, there is a growing concern and recognition that the public sector must be reformed to bring positive changes in public service delivery, reduce wastage and inefficiencies, reduce the size of government, reduce the cost of doing business thereby improving efficiency and resource allocation and shifting resources to productive areas of the economy and releasing more resources for private sector development.

Recognizing these problems, Fiji has pursued public sector reforms since the early nineties. Fiji’s public sector reform programme comprises the three major components of civil service reforms; public enterprises reforms and financial management reforms. The pace of implementation of these components of the reform has been somewhat slow in the early 1990s and has moved at different pace. But recently since 2001 the pace has tremendously picked up momentum with the financial management reform being implemented with increased focus and delivery.

The purpose of this case study is to outline the financial management reform framework and its rationale, status of implementation of the FMR, highlight some risks and provide future directions and actions of the various components of the financial management reforms.

Background – Public Sector Reform

Public sector reform is not a new initiative. Against a backdrop of trade liberalization, increased global and regional integration and globalization, and to survive through increased competition, firms and industries must adopt structural changes to improve economic efficiency and enhance competitiveness in the global economy.

The efficiency and competitiveness of the private sector in an increasingly liberalized and global economy is also largely dependent on the efficiency and competitiveness of the public sector. In this regard, the public sector has to adopt major structural reforms to bring about the efficiency required to support the private sector in a highly competitive and liberalized economy.
Therefore, public sector reforms have been pursued by Governments around the world since trade liberalization and globalization became the global agenda. Structural reforms were implemented with the objective of improving efficiency in the public sector and Fiji is no exception.

The diagram above shows the three reform initiatives currently under way in the public sector and its interrelationship. The Public Enterprise Reform deals with the reorganization of public entities, the Civil Service Reform which focuses on human resources management and the financial reform which centers on better management of Government's financial resources.

Implementation of the three reform components must be undertaken concurrently and sequenced properly to ensure its successful implementation. Coordination and consultation amongst the agencies and ministries/departments is the key to implementing and managing these reforms successfully.

**Rationale for Financial Management Reform**

Public spending has averaged 33% of GDP in recent years. This is average when compared to other countries in the region but relatively high for lower middle income countries. Government policy for the medium term aims to contain public expenditure at around 30% of GDP, although in practice this has proved to be difficult to moderate expenditure levels.

Personnel expenditure accounts for 35% of all public spending, and 55% of non statutory recurrent expenditure. The budget deficit has hovered around 3.0% to 4.3% of GDP. The increase in deficit has contributed to the escalating debt stock which now stands at approximately 53.4% of
GDP. Much of this debt stock is made up of domestic debt. The relative high levels of public spending on the wage bill, relatively low levels of capital expenditure, and continued grant assistance to state entities suggest that there is scope for achieving greater effectiveness and efficiency in public spending programmes. Hence the greater need for reforming the financial management systems.

**Why Change the Current Financial Management System**

The old financial management system under the Finance Act of 1981 has been in place for two decades now and with the current developments in technology, financial management and accounting operational systems and processes, the system has not kept pace with these developments.

Government is now faced with increased challenges as a result of trade liberalization and globalization, increasing national debt, new economic and financial issues and challenges, the changing perceptions on the role of Government and rapid developments in IT technology. To meet these new demands and challenges, there is the increasing need to overhaul the current financial management system and put in place more flexible, responsive and robust systems and processes that responds to these changing demands.

The problems with the 1981 Financial Management Systems include:

- Poor linkages between Government policy decisions and its implementation. In other words, there is no clear link on how the outputs produced by ministries/departments, contribute to the achievement of Government policy decisions;
- Secondly, the current system is “input focused”. It concentrates entirely on controlling the actions of public servants in managing their allocated resources rather than on achieving outputs that would contribute to broader outcomes of Government;
- This is further aggravated by the fact that controls are centralized within the central agencies mainly the Public Service Commission and the Ministry of Finance & National Planning, thus ministries/departments are not able to manage their inputs well and effectively;
- Finally, there are poor financial management practices and budget compliance caused by a weak financial management information system, poor internal control systems, and the general lack of compliance with existing rules and regulations.

**Objective of Financial Management Reform and the Reform Framework**

The objective of financial management reform is to put in place a better performing budget and financial management system that:

- provides effective control over the amount Government can spend and borrow;
- allows Government to better align budget resources to its priority areas; and
- enhances accountability and transparency for whole of Government.
Basically it is to strengthen Government’s financial management system at the whole of Government and at agency level by focusing on improving performance and increasing accountability in managing public funds.

FMR Framework

The design of the proposed financial management framework is based on shifting the focus of the public sector from being 'input based' to 'performance based'.

This, it is believed will go along way to contributing to the efficient and effective delivery of goods and services to the general public.

The performance objectives of Government and any government agency are normally determined through:

(i) clearly defined outcomes that are linked to the Strategic Priorities of Government and its achievement. Outcomes are the impacts that outputs have on the community such as national unity; economic growth, desired level of health and education etc. These may be used interchangeably with Government objectives.

(ii) Clearly defined policy actions and choices to deliver or achieve those outcomes. There are three main types of policy interventions that Government uses:
   a. Regulatory – through the enactment of laws and regulations;
   b. Outputs – which refer to the goods and services delivered by the Governments like health and education services;
   c. Other fiscal activities which includes tax and tariff, concessions, welfare benefits etc;

(iii) Clearly defined Inputs – these are the resources used in the production processes to produce outputs. This includes financial, human resources and capital.

Performance Focus

The performance focus at the whole of Government will generally evolve around the performance management system, which is a systematic approach to performance involving a regular management cycle.
The first phase involves planning, when an individual entity sets out what they would like to achieve in a given period of time. In this stage, the goals, objectives, and expected outcomes and outputs are identified, performance indicators set, and in some cases, the resource required to meet these performance objectives determined.

The second phase involves the allocation of resources which best meet the performance objectives or priorities of that individual or entity. This is normally done through a budgeting process.

The third step, is managing performance and resources. This involves determining the extent to which those responsible have the freedom to implement processes to achieve the goals, objectives, outcomes and outputs identified in the planning stage. It also involves determining how resources and performance will be monitored throughout the year.

The fourth phase is accountability which is holding an individual or organization responsible for the exercise of responsibilities conferred to him/her by that person or group. In this context, this is simply holding individuals/organizations accountable for the achievement of outcomes and outputs and for the efficient and effective use of resources allocated to them.

**How Performance Focus is put into Practice at Whole of Government Level**

The performance focus across the whole of Government is put into practice through the application of the management cycle for whole of Government. This is achieved through the following:

(i) Cabinet prepares a 3 year Strategic Development Plan which sets the strategic priorities for Government to achieve in the medium term. The SDP also outlines the broad policies and key performance indicators for each sector.

(ii) The development on an yearly basis, a Strategic Policy Statement focusing on Government's policy direction which sets out the fiscal framework for the Annual Budget.
(iii) On the effective and efficient allocation of resources, this will be done through performance budgeting whereby resources are allocated to agencies on the basis of goods and services they are to deliver to achieve Government's broad objectives and outcomes. In the long run, this would involve recording and reporting of assets used in the production of outputs and the devolution of resource costs currently pooled together in the Budget under Head 50 (e.g. consultancy costs, purchase of motor vehicles, etc).

(iv) In terms of managing resources and performance, financial information will be monitored through a newly implemented FMIS, which should generate accurate and timely information for monitoring purposes. A mid year fiscal update which highlights Government’s budget position and any authorised transfers between appropriation heads will be prepared and tabled in Parliament. Information on the progress on capital projects will also be reported.

(v) For reporting purposes, an Annual Report for whole of Government would be prepared and would include both financial and non-financial information. Amongst other things, this would include a summary of policy objectives that Government was seeking to achieve compared to what was actually achieved, and how resources were utilized during the budget year.

How Performance Focus is put into Practice at the Agency Level

The diagram below shows how performance focus is put into practice at the agency level.

Each ministry will be required to prepare an Annual Corporate Plan which is aligned to the whole of Government Strategic Development Plan. This plan describes the ministry’s role and operations, their specific outcomes or performance objectives, the outputs or output groups contributing towards the achievement of those outcomes, and performance measures for both outcomes and outputs.
During the resource allocation phase, ministries will be required to revise the outcomes/outputs in the corporate plans to reflect changes in the amount of resources allocated to them in the Budget.

In terms of managing resources and performance, CEOs would be given more authority to manage the resources allocated to them and would also be responsible for maintaining an effective internal control system within the ministry. Ministries would also be required to submit monthly, quarterly and yearly financial statements to the Minister for Finance.

As is the case with the WOG, each ministry would be required to prepare an Annual Report, which contains a summary of objectives, activities, and performance targets achieved as compared to what was set out in their Corporate Plans. It should also contain the financial statements for that particular ministry.

**Assessing Performance at the Whole of Government Level**

The Strategic Development Plan which sets the broad objectives of Government, is intended to guide Government decision making and the budget preparation over the next three years.

Therefore, at the beginning of each year, the Strategic Framework which focuses on Government’s medium term direction, will set the fiscal framework for the Annual Budget.

The annual budget, amongst other things will contain a summary of the outcomes that Cabinet is seeking to influence or achieve in that financial year, a summary of new policy actions to be undertaken and the Budget estimates for each head of appropriation.

Consequently, at the end of each year, performance will then be assessed and reported in the Whole of Government Annual Report which includes both financial and non-financial information. This document will be tabled by the Minister for Finance.
Assessing Performance at the Agency Level

Now moving a level further at the ministerial level, the same mechanism applies. Early during the year ministries/departments are required to prepare Annual Corporate Plan that specifies their outcomes and performance objectives for that year, the output groups contributing the achievement of those outcomes, and performance measures for both outcomes and outputs.

At the end of the year, performance against these plans are assessed and reported in the Ministry's Annual Report, which is to be tabled by the relevant Minister within three months of the year end.

Performance Focus – Summing it Up.

The diagram below illustrates the links between what goes on at the whole of Government level and at the entity level. The ministry Annual Corporate Plan documents the specific outcomes and outputs of the ministry's in relation to the broad sector policies outlined in the SDP. The Corporate Plans are revised and finalized once the funds allocated to ministries in the Annual Budget have been firmed up.

Annual Reports of the ministries are consolidated into the Annual Report for WOG and likewise the Audited financial statements are consolidated and reflected in the whole of Government one as well.

Status of Implementation of the Financial Management Reform

Having discussed the financial management framework in detail and how they are linked, this section will outline the status of implementation of the various components of the FMR.
As alluded to earlier, the main objective of FMR is to strengthen Government’s financial management system at the Whole-of-Government and at agency levels through a shift in focus to improved performance and increasing accountability in the management of government’s financial resources.

The FMR objectives will be achieved through the implementation of changes and adoption of new policies that have been introduced to improve management of government financial resources. These changes and policies are formalized under the Financial Management Act (FMA 2004), which became effective from 1 January 2005.

Key components of the FMR that will be implemented over the years are:

- Financial Management Act 2004;
- Finance Instructions and Manuals;
- Financial Management Information System (FMIS);
- Performance Budgeting; and
- Change Management.

**Financial Management Act 2004**

The new Act involved quite a significant shift in the approach to financial Management for whole of Government as well as individual agencies. The formulation of accounting policies to support changes like the gradual move to accrual accounting, the devolution of authorities to CEOs and the new reporting requirements are crucial in the implementation of the Act and the ensuing Finance Instructions.

More specifically, the reporting formats for whole of government [the Accounts and Finances] will include additional information, which will strengthen the accountability and transparency of Government over the use of public funds. The implementation of the Financial Management Act (FMA) 2004 and the changes it introduces were effective from 1 January 2005.

The Act requires the development of a new Finance Instruction (FI) that guides ministries/departments on accounting, financial and procurement procedures. As part of the requirement under the FI, Chief Executive Officers of ministries/departments are required to develop their own Finance Manuals that are aligned to the FMA 2004 and the FI.

The FMA 2004 allows for a transitional period within which changes under the FMR are implemented.

**Finance Instructions 2005**


The new Finance Instructions were gazetted in February 2005. However, certain sections of the Finance Instructions such as the new incentives/authorities for Chief Executive Officers are being
implemented on a gradual basis. This is to ensure that certain specific internal controls and procedures are in place before these incentives/authorities can be implemented. The planned sequence of delegation for CEO authorities was being spread over 2005 as follows:

- 1st Quarter – complete Finance Manuals;
- 2nd Quarter – authority for virements and write-off of losses;
- 3rd Quarter – approval of revenue retention request from ministries that will be effective from the beginning of 2006.
- 4th Quarter – new procurement and activation of Agency: and Central Tender Board.

**Finance Manual**

Finance Manuals developed by ministries/departments provide detailed processes and procedures on the financial operations of each of these ministries/departments. It also ensures that internal controls are established for each accounting, financial and procurement process. These Finance Manuals are issued by the Chief Executive Officer of the agency and is intended to ensure proper management of financial resources with an agency.

A pro forma Finance Manual was developed by the FMR project team as a guide and distributed to assist ministries and departments. A review committee comprising of officers from Treasury, Internal Audit, Budget and FMR sections of the Ministry of Finance was set up to review the draft manuals. It was initially envisaged that all ministries and departments would have had their Finance Manuals finalized and issued by their CEO by March 2005. However, this has not eventuated as planned.

Delegation of authority to CEOs will only be implemented if their Finance Manual has been cleared for issue to their staff by Ministry of Finance. All 47 ministries [including some Departments] have been cleared to issue their Finance Manuals. The first set of authorities being delegated to these ministries/departments is for virement of funds within their budget allocation.

**Financial Management Information Systems**

The need for a new FMIS was largely driven by FMR initiatives. Cabinet endorsement of the FMIS preferred supplier and implementation partner, SSA Global Ltd was delivered on 16 November 2004 and signing of the contract between Government and SSA Global Ltd was completed in February 2005.

As a result of the magnitude of the FMIS project and lack of expertise and experience in government for managing a huge project of this nature, a Project Manager was recruited in March 2005 to manage the FMIS implementation.

The FMIS project’s mission is to implement SSA *FM 2.0* across Government comprising of 28 individual ministries that are made up of 52 departments in line with the endorsed project plan and with agreed quality and system sustainability levels. This reflects an implementation time frame consisting of 2.5 years from February 2005 – June 2007, organized in 6 major phases that allow for
project activities to be executed in a quality manner. These 6 phases and broad implementation timeline are set out below:

<table>
<thead>
<tr>
<th>PHASE</th>
<th>TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Upgrade of current Masterpiece General Ledger 1.3 to the new FMIS [SSA FM 2.0] and development of a new Chart of Accounts</td>
<td>Mar 2005 – Aug 2005 Completed</td>
</tr>
<tr>
<td>2. Development of standards to be used by each ministry/departments during the deployment of the SSA FM 2.0 applications.</td>
<td>Apr 2005 – Aug 2005 95% complete</td>
</tr>
<tr>
<td>5. Roll out to 8 block of ministries /departments</td>
<td>Jun 2006 – Nov 2006</td>
</tr>
</tbody>
</table>

The first phase involved the upgrade of the current Masterpiece General Ledger System 1.3 to the new SSA FM 2.0 and the development of a new Chart of Accounts (CoA) which will adequately address the reporting requirements of individual ministries/departments and the whole of Government as required under the FMR initiative. The second phase entails the development of standards for the deployment of FMIS applications to ministries/departments. The 3rd phase involves the roll out of FMIS to the 4 proof of concept ministries (PoC). This will be followed by the last three (3) phases that involve the sequenced roll out of FMIS to blocks of eight ministries in each phase until all ministries/departments are completed by mid-2007.

Phase 1 has been completed and Ministries and Departments have been informed to use the new CoA from the August accounting period. The current CoA provides limited reporting ability and there is limited flexibility and scope for improvement as Government moves towards improved management reporting needs and an accrual environment in future.

Phases 1 and 2 set the platform for rolling out of the new system applications to ministries/departments which commenced in August 2005 with the 4 proof of concept ministries.

The SSA FM applications operate as a cash or accrual system. The system being implemented will initially continue to operate as cash based accounting system with a gradual move to modified accrual accounting by end of 2007.

**Immediate Benefits**

Some immediate benefits that will be realized from the implementation are:

(i) the new Chart of Accounts through the SSA FM will allow scope for improvement in management reporting and allows for multiple dimensions, meeting all requested user requirements and will expand and improve the capacity of data and information collection which is limited in the current system;
(ii) system driven budget control and Ministry adherence mechanism;
(iii) improvements in organizational processing efficiencies through automation and integration of sub-modules and General Ledger, in turn creating data consistency and accuracy of financial information across Government;
(iv) improved methods of financial and management visibility thus fostering accountability across all management levels within Government backed by accurate and timely statutory reports for submission to Ministry of Finance; and
(v) Integrated FMIS fostering accurate and timely management reports which will better equip Chief Executive Officers with control and monitoring mechanisms.

Change Management

The FMR provides significant changes in the way the Government of Fiji manages its financial resources provided by the Budget. It comprises changes in processes, reporting, control and the introduction of a FMIS. The changes will be managed through better communication and training across government and stakeholders. Change management plays a critical role in the reform process.

The communication strategies adopted to create awareness and understanding of the FMR includes:

(i) Newsletter – a bi-monthly FMR newsletter;
(ii) Website – setting up of a FMR website that is updated regularly with information on progress and other issues concerning the reform;
(iii) FMR Awareness Programme – continued awareness programme to brief ministries and departments on the progress of the reform; and
(iv) Media/Press Releases – this medium of communication has continued to be used as and when the need arises.

Training

The new processes and concepts brought about by the reform require major capacity building in government to ensure successful implementation and sustainability of the reform. The University of the South Pacific (USP) have been contracted to provide financial management training specific to the FMR requirements for the next two years.

The table below shows both, the courses that have been conducted to staff thus far.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Date of Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Management Act</td>
<td>Dec 2004</td>
</tr>
<tr>
<td>Training for Auditor General's Office</td>
<td>Feb 2005</td>
</tr>
<tr>
<td>Performance Budgeting</td>
<td>Mar – Apr 2005</td>
</tr>
<tr>
<td>Training of the Trainers</td>
<td>Jul 2005</td>
</tr>
</tbody>
</table>
An FMR Training Committee has been set up, comprising of officers from the Public Service Commission Training Division, Auditor General's Office and selected ministries and departments, to manage all the FMR training. The committee is responsible for approving all FMR training courses, training materials and course outlines before USP conducts the training. The committee ensures that training conducted is sequenced and aligned to the broad implementation plan of the FMR components.

Training on the new financial management system will continue to ensure sustainability. The training division of each ministry/department will be required to play a significant role in co-coordinating this training in their individual ministries.

**Change Leaders**

Ministries and departments have nominated Change Leaders who act as the focal point of contact for the ministry and the FMR team. Training and awareness workshops are coordinated through the Change Leaders.

Change Leaders are a major component of the reform implementation programme ensuring that FMR implementation programme in ministries are adopted and requirements met.

**Performance Budgeting**

The implementation of performance budgeting allows Government to allocate financial resources to agencies based on the outputs they are to deliver and the outcomes they contribute to. It establishes a clear link between the policy objectives of Government and the outputs produced by agencies. The specification of performance indicators also provides information on what is being delivered thus provides a mechanism in which agencies can be held accountable for the delivery of its specified outputs.

As part of the 2006 budget process, procedural changes are currently being implemented in anticipation of the shift to full performance budgeting which is targeted for the 2008 or 2009 budget year. This included the preparation of PPS that reflect the linkages between the ministry's programmes with Government's priorities and incorporate performance measures.

Considerable momentum has been gained during 2005 in terms of the implementation of output budgeting. The intention is to introduce performance budgeting on a gradual basis, with significant effort being made to introducing the appropriation of monies based on outputs in the 2007 Budget.

Overall there are 20 standard outcomes which ministries have to align their outputs to. These outputs and outcomes are reflected in the portfolio performance statements (PPS) for budget purposes and the outputs which have been provided funded are reflected in the Annual Corporate Plans (ACP) as required under the FM Act, 2004 and also for the Public Service Commission's purpose. The PPS has been introduced to address the concerns raised by many ministries regarding the submission of the ACP in two separate phases and harmonizes the performance concepts used by the Ministry of Finance and the PSC.
For 2006, a new budget document, the “PPS” has been produced. This document presents performance indicators and associated performance targets in relation to outputs, along with a summary of distribution of funding and staff associated with the production of each output.

It is estimated that the full cost of output production will be able to be calculated some time after 2008, with the introduction of accrual accounting and the establishment of comprehensive capital asset schedules with associated depreciation schedules. Until then, the output production costing reflects just the Budget allocation of operational funding on a cash basis.

The performance indicators and targets associated with each output are intended to monitor the efficiency and effectiveness of the public service in generating outputs, given the funding that has been provided. Analysis of the efficiency and effectiveness with which outputs impact on intended outcomes is not included in the PPS, but rather is intended to be included in the Annual Reports prepared by each agency.

As is expected from the introduction of a totally new approach to budgeting, it is likely that the first few years will involve a significant learning experience for all involved. In particular, significant proportion of performance targets set for each indicator will require adjustments over the next few years, as participants familiarize themselves with this new approach.

**Risks/Issues**

Policy, structural and organizational changes are bound to have associated risks and opportunities. The opportunities must be taken advantage of but the risks are to be managed properly to ensure the successful implementation of the reform.

There is the need for Ministries to cooperate and commit staff to oversee and coordinate FMR activities within individual ministries to avoid delays in moving forward with the planned FMR implementation set by the Ministry of Finance.

Failure to respond to requests made by the FMR Unit with the timeline given, delays the implementation of components of the FMR. An example is the delay in the submission of Finance Manuals from Ministries/Departments, which has resulted in the delaying of the delegation authorities to CEO. This can also turn out to be a disincentive for those ministries who are keen in moving forward with the changes.

In adequate capacity in ministries/departments specifically in areas of accounting and financial management which are deemed relevant to the implementation of changes required under the reform. This is being addressed through training conducted by USP in alignment with the implementation plan. But this is only a short term solution. To ensure implementation is effective and sustainable, ministries/departments require skilled and knowledgeable officers who understand and appreciate the importance of the changes for their individual organizations and for whole of Government and can make a difference through these reforms.

The reform needs more involvement and commitment of CEOs and Change Leaders in spear heading the reform within their own ministries and departments. Regular workshop/briefing for
Change Leaders will ensure that they are aware of the changes and their roles and responsibilities in coordinating and monitoring the implementation.

**Way Forward**

The current sequencing of implementing components of FMR follows a gradual approach to allow capacity building by ‘on the job and short term training, which will ensure implementation.

A key aspect of the Government's FMR programme is the progressive devolution of greater operational authority to managers, balanced by greater accountability for the exercise of that power to make decisions on strategies, priorities and resource allocation at the level of the organization that leads to the most cost effective decisions.

In respect of performance budgeting, Government is adamant that the structure for a performance budget framework is put in place in 2006, albeit for reporting purposes only. This structure would ensure consistency and enable the standardization of outputs delivered by each ministry, according to the policy outcomes of Government. In this regard, Government may need to push the actual implementation of FMR output-based budgeting to 2008 or even 2009 to allow capacity and support systems to be gradually put in place in the next one or two years.

As for 2006, the rolling out of the new FMIS to ministries/departments will continue as planned until 2007. An upgraded Financial Management Information systems will significantly improve the capacity for timely, complete and comprehensive reporting as well as automate and streamline accounting processes.

More focus would need to be placed on strengthening capacity within ministries/departments to implement and sustain the changes effectively. This is noted as the most important aspect of the reform as it is only through the people that improved performance can be achieved and sustained. This would require development of a clear strategic approach in terms of upgrading of skills and knowledge and a review of the current policy recruitment of accounting staff as well as availability of adequate budgetary provision for training.

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Jone V Navakamocea  
Deputy Secretary for Finance (Budget)  
Ministry of Finance and National Planning  
12 February, 2006
## FINANCIAL MANAGEMENT REFORM ACTION PLAN FOR 2006

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<tr>
<th>POLICY</th>
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<th>COMMENTS</th>
<th>ACTUAL START DATE</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>FMA 2004</td>
<td>January 2006</td>
<td></td>
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<tr>
<td>FI 2005</td>
<td>January 2006</td>
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<tr>
<td>Agency Tender Board</td>
<td>January 2006</td>
<td>Delays are being experienced with ministries in the submission of names of members.</td>
<td>December 2005</td>
<td>In progress</td>
</tr>
<tr>
<td>Central Tender Board</td>
<td>February 2006</td>
<td></td>
<td></td>
<td>In progress</td>
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<tr>
<td>Whole-of-Government</td>
<td>March 2006</td>
<td></td>
<td></td>
<td>In progress</td>
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<tr>
<td>Financial Statements</td>
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<tr>
<td>State and Agency Assets</td>
<td>March 2006</td>
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<td>In progress</td>
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<tr>
<td>Policy</td>
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<td>Write Offs</td>
<td>March 2006</td>
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<td>Revenue Retention</td>
<td>June 2006</td>
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<td>Carry Over Policy</td>
<td>September 2006</td>
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<td>Guide to Agency Annual</td>
<td>September 2006</td>
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<td>Reports</td>
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# FMIS BROAD IMPLEMENTATION ACTION PLAN FOR 2005-2007

<table>
<thead>
<tr>
<th>Phases</th>
<th>Tasks</th>
<th>Time line</th>
<th>Status</th>
</tr>
</thead>
</table>
| **1** Project Establishment, Upgrade, HouseKeeping & Chart of Accounts (COAS) | • Appointment of independent GoF FMIS Project Manager  
• Appointment of full-time SSA Global Engagement and part-time Quality Assurance Managers  
• Appointment of ITC Project Manager  
• Development of Project Charter Report  
• Development of Project Plan  
• Development of Project Management support tools, project office and procedures  
• Steering Committee representatives with visible roles and responsibilities  
• Masterpiece Housekeeping tasks, eliminating unnecessary data from Db in readiness for Upgrade  
• Upgrade from Masterpiece 1.3 to SSA FM GL V2.0.  
• Chart of Accounts, Ministries interviews, gathering requirements & formation of WoG CoA’s.  
• Desktop installations for POC Ministries | Feb- April 2005 | Completed |
| **2** Standards | • Develop standards to be used by each Ministry during the deployment of modules during the FMIS project, and provide FMIS team with comprehensive FMIS training.  
• Acquisition & deployment of IT infrastructure to support the initial Proof of Concept (POC) Ministries.  
• Provision of basic PC user training for requested Ministries. | March – July 2005 | Completed |
| **3** 4 Pilot Ministries (Proof of Concept) | • Ministry of Finance  
• Ministry of Women, Social Welfare & Poverty Alleviation  
• Ministry Of Health  
• Ministry of Education  
| 4. Deployment Block 1  (8 Ministries) | • Office of President & Prime Minister  
• Elections  
• Agriculture Sugar & Land Resettlement/Agricultural Tribunal  
• Fijian Affairs, Culture & Heritage Regional Development  
• Office of the Ombudsman  
• Attorney General & Justice  
• Commerce, Business Development & Investment  
• Public Enterprise & Public Sector  
• Fisheries & Forests  
• Legislature | Feb 2006 – April 2006 | Already commenced with briefings; appointment of FMIS champions; connectivity and hardware requirements. |
|-----------------------------------|-------------------------------------------------|-----------------|------------------------------------------------------|
| 5. Deployment Block 2  (8 Ministries) | • Youth, Employment Opportunities & Sports  
• Tourism  
• National reconciliation & Multi Ethnic Affairs  
• Local Government, Housing, Squatter Settlement & Environment  
• Home Affairs & Immigration  
• Office of the Auditor General & National Disaster Management  
• Information, Communication & Media Relations  
• Office of the Director of Public Prosecutions | July - Dec 2006 |  |
| 2007 | | | |
| 6. Deployment Block 3  (8 Ministries) | • Works & Energy  
• Labour & Industrial Relations & Productivity  
• Lands & Mineral resources  
• Foreign Affairs, External Trade  
• Office of the Public Service Commission  
• Transport & Civil Aviation | Jan-Jun 2007 |  |