



*Government of Tonga*

# Ministry of Finance



## ANNUAL REPORT 2018 – 2019



**Ministry of Finance**  
**NUKU'ALOFA, TONGA**

10<sup>th</sup> July, 2020

Lord Fakafanua  
Speaker  
Legislative Assembly of Tonga

NUKU'ALOFA

Your Lordship,

Pursuant to clause 51(5) of the Constitution (Amendment) 2010, I have the honour to submit to Your Lordship the Annual Report of the Ministry of Finance for the fiscal year 2018/19.

Respectfully,

  
**Hon. Tevita Lavemaau**  
*Minister for Finance*



# TABLE OF CONTENTS

<b>LIST OF ABBREVIATION</b> .....	<b>5</b>
<b>FOREWORD FROM THE MINISTER</b> .....	<b>6</b>
<b>MESSAGE FROM THE CEO</b> .....	<b>7</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>9</b>
<b>MAJOR ORGANISATIONAL OUTPUTS</b> .....	<b>9</b>
<b>MINISTRY'S STAFF</b> .....	<b>10</b>
<b>MINISTRY'S PMS RESULTS</b> .....	<b>12</b>
<b>MINISTRY'S FINANCIAL PERFORMANCE</b> .....	<b>12</b>
<b>1. OVERVIEW</b> .....	<b>14</b>
<b>1.1 INTRODUCTION</b> .....	<b>14</b>
<b>1.2 MISSION</b> .....	<b>14</b>
<b>1.3 VISION</b> .....	<b>15</b>
<b>1.4 FUNCTIONS</b> .....	<b>15</b>
<b>1.5 STAKEHOLDERS</b> .....	<b>16</b>
<b>1.6 MANDATE</b> .....	<b>16</b>
<b>1.7 LEGISLATION</b> .....	<b>17</b>
<b>1.8 ORGANISATIONAL STRUCTURE</b> .....	<b>17</b>
<b>1.9 PERFORMANCE MANAGEMENT FRAMEWORK</b> .....	<b>19</b>
<b>2. PERFORMANCE</b> .....	<b>22</b>
<b>2.1 HUMAN RESOURCE MANAGEMENT</b> .....	<b>22</b>
2.1.1 Workforce Size by Division as of 30 June 2019.....	22
2.1.2 Growth in Workforce Size by Division as of 30 June 2019.....	24
2.1.3 Workforce and Gender.....	25
2.1.5 Workforce and Qualification.....	29
<b>2.2. RECRUITMENT DURING 2018/19 FINANCIAL YEAR</b> .....	<b>31</b>
2.2.1 Ministry of Finance New Appointments During 2018/19 FY.....	31
2.2.2 Ministry of Finance Staff Promotions During 2018/19 FY.....	32
2.2.3 Staff Exited the Ministry of Finance During 2018/19 FY.....	32
<b>2.3 MINISTRY OF FINANCE CAPACITY DEVELOPMENT DURING 2018/19 FY</b> .....	<b>34</b>
<b>3. RESULTS MANAGEMENT</b> .....	<b>40</b>
<b>PROGRAM 1: LEADERSHIP AND MANAGEMENT</b> .....	<b>40</b>
<b>PROGRAM 2: TREASURY OPERATIONS</b> .....	<b>41</b>
<b>PROGRAM 3: BUDGET, ECONOMIC AND AID</b> .....	<b>42</b>
<b>PROGRAM 4: GOVERNMENT GENERAL FUND (GGF) PROGRAM</b> .....	<b>43</b>
<b>PROGRAM 5: DEBT MANAGEMENT</b> .....	<b>43</b>
<b>3.1 PERFORMANCE MANAGEMENT</b> .....	<b>43</b>

3.2	<i>OUTPUT PERFORMANCE AGAINST KPIS</i> .....	46
3.2.1	Program 1: LEADERSHIP & MANAGEMENT.....	46
3.2.2	Program 2: TREASURY OPERATIONS.....	53
3.2.3	Program 3: BUDGET, ECONOMIC AND AID.....	57
<b>4.</b>	<b><i>FINANCIAL MANAGEMENT</i></b> .....	<b>64</b>
4.1	<i>STATEMENT OF RESPONSIBILITIES</i> .....	64
4.2	<i>STATEMENT OF CASH RECEIPTS AND PAYMENTS</i> .....	65
4.3	<i>STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT</i> .....	66
4.4	<i>NOTES TO FINANCIAL STATEMENT</i> .....	67
4.4.1	Accounting Policy .....	67
4.4.2	Budget Appropriations.....	67
4.4.3	MOF Budget Support Details .....	68
4.4.4	MOF Recurrent Payments .....	69
4.4.5	Property, Plant & Equipment.....	70
<b>5.</b>	<b><i>CONCLUSION</i></b> .....	<b>71</b>

# LIST OF ABBREVIATION

ADB	Asian Development Bank
AMP	Annual Management Plan
BCPD	Budget and Corporate Planning Division
BSFE	Budget Strategy & Fiscal Envelope
CEO	Chief Executive Officer
CoA	Chart of Account
CP	Corporate Plan
CSD	Corporate Services Division
CSDRMS	Commonwealth Secretariat Debt Recording Management System
DCEO	Deputy CEO
D/epm	Dynamic Enterprise Performance Management
EFPD	Economic and Fiscal Policy Division
FFD	Financial Framework Division
FMIS	Financial Management Information System
FS	Finance Section
GDL	Government Development Loan
GFS	Government Finance Statistics
GGF	Government General Fund
GPA	Government Priority Agenda
HoD	Head of Division
IAD	Internal Audit Division
ICTD	Information, Communications and Technology Division
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
JD	Job Description
KPIs	Key Performance Indicators
LSSS	Logistical Support Service Section
MDAs	Ministries, Departments and Agencies
M&E	Monitoring & Evaluation
MOF	Ministry of Finance
MINOFA	Ministry of Foreign Affairs
OCEO	Office of the CEO
OoM	Office of the Minister
OPSC	Office of Public Service Commission
PAMD	Project and Aid Management Division
PD	Procurement Division
PEARL	Pacific Early Age Readiness & Learning Program
PFM	Public Finance Management
PFS	Performance Framework Section
PMO	Prime Minister's Office
SDGs	Sustainable Development Goals
SGGB	St George Government Building
SOPs	Standard Operation Procedures
TC	Tropical Cyclone
TD	Treasury Division
TDB	Tonga Development Bank
TOR	Terms of Reference
TSDF II	Tonga Strategic Development Framework II

# FOREWORD FROM THE MINISTER



The financial year 2018/19 was another challenging year for the Ministry of Finance. The Ministry, as an important central agency of Government, successfully completed the year with the theme: “Recovery with greater Resilience”. During the year, the Ministry continued its leading role in the various recovery programs on the impacts of Tropical Cyclone GITA (Category 4). Despite the numerous challenges and obstacles in the implementation of the recovery phase – there were significant progress achieved towards completing of relevant projects.

Additionally, the Ministry continued to strive to achieve its Outputs supporting the overall national vision under the Tonga Strategic Development Framework (TSDF II) for a “A more progressive Tonga supporting a higher quality of life for all.”

The Annual Report outlines the achievements of the Ministry during the year in conducting its activities under each of the Programs and Divisions. Challenges and Risks are identified with proposed plans for the way forward. The Ministry remains committed to its Vision: to serving the people of Tonga in becoming the number one agency leading the provision of economic and financial advice to Government.

I wish to thank the communities and businesses for their contribution and cooperation, the Members of Parliament, and all the other ministries, departments and agencies of government for their ongoing support and partnership. I also thank the CEO and staff of the Ministry for their hard work and commitment during the year.

Respectfully,

  
**Hon. Tevita Lavemaau**  
*Minister for Finance*



# MESSAGE FROM THE CEO

I am pleased to present the Ministry of Finance Annual Report for the financial year 2018/19.



The Ministry continued to pursue its Vision to become the best and number one agency leading the provision of economic and financial advice to Government in order to achieve our national outcome set out in the Tonga Strategic Framework II of “A more progressive Tonga supporting higher quality of life for all”.

During the year, in March 2019, the Ministry received the PSC Amend Act (No.2) 2018, amending the name of the Ministry from Ministry of Finance and National Planning to Ministry of Finance only. This reflected the change in mandate with transferring of the National Planning function to the Prime Minister’s Office in November 2017.

The Ministry as a central Ministry of Government carried out its functions according to its Mandate. The Ministry has key obligations mandated by the Constitution, Laws and international agreements. As a result, it has multiple stakeholders, including Cabinet, Legislative Assembly, all MDAs, public enterprises, the private sector, communities and the general public.

During the fiscal year 2018/19, the Ministry’s operation and work plans were geared towards the theme for the year: “Recovery with greater Resilience”, after the devastation caused by Tropical Cyclone GITA in Tongatapu and the island of `Eua, in February 2018. The Ministry of Finance took leading roles in facilitating the recovery works towards the impacts of Cyclone GITA. This was particularly in terms of aid coordination, procurement, management of framework agreements and releasing of payments.

The Annual Report sets out in detail what were achieved over the 2018/2019 financial year and the progress made in the Divisions’ Outputs as outlined in the Ministry’s Corporate Plan and Annual Management Plan for the year. During the year, the Ministry continued its

ongoing reform program as set out in the PFM Reform Roadmap 2015-2020. The main reform areas included: 1) Improved Management Monitoring and Evaluation (M&E), and Communications; 2) Upgraded Integrated Financial Management Information System (IFMIS); 3) Improved Compliance and Enforcement; and 4) Improved Corporate Planning, Budgeting, Economic Analysis and Forecasts.

During the year, there had been significant successes and achievements in the operation of the Ministry under its five (5) Programmes and nine (9) Divisions. These are outlined in the Results Management Section of the Report.

I take the opportunity to acknowledge the continuous support given to the Ministry of Finance from the stakeholders and the continuous assistance from the Development Partners. I am always grateful for the dedication and commitment given by the staff of the Ministry which contributed to the successful completion of another challenging year for the Ministry.

Respectfully,



Balwyn Fa'otusia

**Chief Executive Officer for Finance**

# EXECUTIVE SUMMARY

The Ministry is a central agency with the key obligations as mandated by the Constitution, laws and international agreements. As a result, it has multiple stakeholders, including Cabinet, Legislative Assembly, all MDAs, public enterprises, the private sector, communities and the general public.

The expectations of the Ministry are covered by a host of legislations and regulations. In addition to the requirement of the TSDF II, the mandate is also dependent on various sector plans and international agreements with development partners and other international agencies, such as the 2030 Agenda with its Sustainable Development Goals (SDGs).

The Ministry operates under five (5) Programs with its core responsibilities shared amongst the two (2) leading offices and nine (9) Divisions.

**Table 1: Ministry’s Programs**

PROGRAMS	OFFICES AND DIVISIONS
1. Leadership and Management	1. Office of the Minister 2. Office of the CEO 3. Internal Audit Division 4. Corporate Services Division 5. Information Communications and Technology Division
2. Treasury Operations	1. Treasury Division 2. Financial Framework Division 3. Procurement Division
3. Budget, Economic and Aid	1. Budget and Corporate Planning Division 2. Economic and Fiscal Policy Division 3. Project and Aid Management Division
4. Government General Fund	1. Corporate Services Division
5. Debt Management	1. Financial Framework Division

## Major Organisational Outputs

Based on the Corporate Plan the following were the Major Outputs of the Ministry for the financial year 2018/19:

1. Leadership and Policy Advice to be in compliance with the PFM Act and other relevant Acts and Regulations.
2. Management of the Ministry to be in accordance with the PFM Act and other relevant Acts and Regulations.

3. Providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Government.
4. That the Ministry and stakeholders are provided with the human resources, financial, logistical support and property management.
5. That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders.
6. That information available from the Ministry of Finance facilitated the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.
7. That Government and stakeholders are provided with effective and efficient treasury financial management services.
8. That the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions.
9. Implementation of the Public Procurement Regulations (PPR) 2015.
10. That a support system for budgeting is well in place to facilitate evidence-based policy in government.
11. That the macro, micro-economics and fiscal policy analysis to advise all stakeholders with the information required to improve evidence-based decision-making regarding sustainable economic growth and social development.
12. To promote aid effectiveness policies and guide the formulation of budget and corporate plans for achieving government priorities.
13. That the Government General Fund is effectively managed.
14. Better Debt Management and Reporting.

### **Ministry's Staff**

The Ministry's staffing as at 30 June 2019:

1. Total Number of Established Positions – 177
2. Total occupied posts – 149
3. Number of Vacancies – 43 (38 staff & 5 daily paid employees)
4. Total number of Unestablished staff = 12 (9 daily paid and 3 contracts)

**Table 2: Ministry's Staffs at 30 June 2019**

No.	Division	No. of Posts		Vacant (Staff)	Vacant (Daily Paid)	No. of Staff		Total
		Established	Filled			Contract	Daily Paid	
1	Office of the Minister	1	1			3		4
2	Office of the CEO	3	3					3
3	Internal Audit Division	7	6	1				7
4	Corporate Services Division	28	20	8	2		5	35
5	Information and Communication Technology Division	12	7	5				12
6	Economic and Fiscal Policy Division	8	7	1				8
7	Budget & Corporate Planning Division	15	12	3			1	16
8	Project and Aid Management Division	10	8	2	1			11
10	Financial Framework Division	13	9	4	1			14
11	Procurement Division	15	11	4				15
12	Treasury Operation Division	65	65	10	1		3	79
	Total	177	149	38	5	3	9	204

## MINISTRY'S PMS RESULTS

There was significant improvement in the Ministry's PMS results for the year 2018/19, when compared to the financial year 2017/18 and previous years. There were 6 staff who were in the outstanding ratings of five (5), 78 staff in the ratings of four (4), and 56 staff in the ratings of three (3). There was no staff in the underperformance category.

## MINISTRY'S FINANCIAL PERFORMANCE

### Statement of Comparison of Budget and Actual Amount 30<sup>th</sup> June, 2019

	<u>Original Budget</u>	<u>Actual Amounts</u>
<b>Recurrent Payments</b>		
Established Staff	8,110,500	5,219,933
Unestablished Staff	172,000	180,897
Travel, Communication	568,700	465,611
Maintenance, Operations	395,800	248,084
Purchase Goods Services	3,459,700	4,310,365
Operation Grants and Transfer	39,019,000	18,310,379
Development Duties Expenses	3,042,900	1,269,723
Debt Management	42,075,200	36,583,465
Contingency Disbursed	1,000,000	-
Pension & Gratuities Expenses	5,500,000	4,350,619
Equity Payments	400,000	-
Assets	1,302,100	1,389,584
<b>TOTAL RECURRENT PAYMENTS</b>	<b>\$105,045,900</b>	<b>\$72,328,660</b>
<b>Development Payments</b>		
Unestablished Staff		157,814
Travel, Communication	19,200	54,293
Maintenance, Operations	1,371,000	1,501,424
Purchase Goods Services	5,718,700	2,284,247
Grants and Transfer	2,460,900	3,309,906
Equity Payments	1,100	
Assets	63,265,100	1,567,268
<b>TOTAL DEVELOPMENT Payments</b>	<b>\$72,836,000</b>	<b>\$9,874,952</b>
<b>TOTAL PAYMENTS</b>	<b>\$177,881,900</b>	<b>\$82,203,612</b>

The analysis by line items are as follows:

#### ***Recurrent Expenditures (Government cash and Budget Support)***

- Established Staff expenditure: 36% (\$2.9m) was not utilised. This is mainly due to delays in recruitment and at the end of the financial year, there were 38 vacant positions that were still not filled.

- Purchases Goods & Services: 25% (\$850,665) overspent during the year. This is mainly due to payment of service fee to the Tonga Development for the Government Development Loan (GDL) facility. In previous years, this fee was offset within the interest earned from the loans.

***Development Expenditure*** (Cash and In-Kind fund)

Referring to the Public Finance Management Act 2010 section 23 (4), this policy allows development funds that was not estimated in the first place to be received by the system when the fund is confirmed during the financial period. As such, this had triggered an overspending of some line items more than their original budgets which are as follows:

- Maintenance and Operation: There was an overspending of \$130,424 from the original budget due to increase in renovation for Government primary schools' premises.
- Grant and Transfer: \$2.5m which were estimated for the original budget but the Ministry has actually paid an amount of TOP 3.3M.
- The most significant spending was for TC Gita payments under the Shelter Cluster, grants to boat owners and also grants for public enterprises.

# 1. OVERVIEW

## 1.1 Introduction

The Ministry of Finance is the central institution with the economic and financial landscape of the Kingdom of Tonga. The Ministry has a constant obligation to continuously consider the economic and financial needs of the country. Further, the Ministry is expected to provide Government with sound economic advice after considering all possible alternatives within the common confines of the limited resource environment of the country. The Ministry is guided by its Tonga Strategic Development Framework (TSDF II) Vision: *“A progressive Tonga supporting a higher quality of life for all.”*

## 1.2 Mission

The Ministry of Finance's mission is to ensure the provision of high quality and timely economic and financial policy advice to government; increase effective economic management in the Kingdom; and the development of a strong professional team in the Ministry.

**The core responsibilities of the Ministry's Senior Management are to:**

- provide overall direction and policy guidance to the work of the Ministry;
- provide effective leadership on economic and financial management within Government;
- ensure the development of high professional standards, timely and relevant policy advice and financial management within the Ministry;
- ensure the longer-term development of essential skills and capabilities with the Ministry team, in the context of a learning institution committed to serve the interests of the Government and people of Tonga;
- ensure the availability of essential support facilities, resources and working tools to enable all members of the Ministry team to perform at peak effectiveness;
- ensure the recognition of individual contribution of each staff member to the success and achievements of the Ministry, giving priority for performance review and assessment and an effective and integrated Staff Development Plan;
- ensure that all legislation for which responsibility rests with the Minister for Finance is administered with due diligence and professional integrity. That decisions of the Government within the Ministry's area of responsibility are implemented with professionalism, timeliness and also giving attention to detail;

- ensure that the major responsibilities of the Ministry, including the submission of the Government’s annual Programme Budget to Cabinet and the Legislative Assembly, are performed with the highest standard of professionalism, consultation and timeliness;
- communicate the economic and financial issues, policy options and decisions by the Government within and outside government in the clearest way possible. To ensure that the Ministry performs its task of listening to and taking into account the views of participants in the economy as well as others in Government;
- provide advice as appropriate, in the context of the role of the Minister for Finance as a key policy Minister of Government. To also assist the Government in assessing the economic and financial implications of major policy proposals;
- provide strong and effective management of Ministry operations, including a high priority for strategic planning and the meeting of performance targets.

### **1.3 Vision**

The Ministry’s vision is to be *‘a high performing Ministry leading in the provision of economic and financial advice to Government and working to provide a better Tonga tomorrow’* through higher income, employment and opportunities. This vision is supported by the Ministry applying effective reform and problem solving to manage change to better perform the following core functions:

### **1.4 Functions**

- 1) providing a high performing Ministry driven by a strong set of values, and executive leadership with the right capability and capacity to deliver its outputs, including adaptability to manage the evolution of Government priorities;
- 2) leading economic and financial advice on maintaining macroeconomic stability at the same time building a more productive economy, improving business environment, growing investment and employment opportunities;
- 3) managing Government finances responsibly and ensuring fiscal prudence while maintaining the capacity to respond quickly and effectively to social and economic trends as they emerge, meeting the diverse needs of Government commitments from communities, private sector, and the wider society;
- 4) delivering high quality, cost effective public service within tight financial constraints through performance monitoring functions with strong emphasis on promoting good governance and accountability;

- 5) fostering a policy environment in which all ministries, departments and agencies (MDAs) of Government can operate effectively, and where civil servants can participate and deliver a high standard of service to meet the requirements of their customers; and
- 6) empowering other managers in Government through its own leadership, guidance and support of other MDAs, to help ensure access to Government goods and services including specialized support to help those that are particularly vulnerable.

### **1.5 Stakeholders**

As a central Ministry, MOF has a number of Stakeholders, each playing multiple roles. These are summarised in Table 1 as a detailed analysis of the complex and interrelated stakeholder relationship and roles.

**Table 3: MOF’s Stakeholders and their relationship to the Ministry**

Stakeholder	Customer of MOF	Supplier to MOF	Partner with MOF	Oversight of MOF
Cabinet	X	X	X	X
LA	X	X		X
MDAs	X	X	X	
Public Enterprises	X	X	X	
Business	X	X	X	
NSA, CSO, Churches	X	X	X	
General Public	X	X	X	
Development Partners	X	X	X	

### **1.6 Mandate**

The Ministry is a central agency with the key obligations as mandated by the constitution, laws and international agreements. As a result, it has multiple stakeholders, including Cabinet, all MDAs, public enterprises, the private sector, communities and the general public. The expectations of MOF are covered by a host of legislation and regulations. In addition to the requirement of the TSDFII, the mandate is also dependent on various sector plans and international agreements with development partners and other international agencies such as the 2030 Agenda with its Sustainable Development Goals (SDGs).

As a central agency, the Ministry operates at two level: (i) it is line-ministry running its operation like all other MDAs; and (ii) it is a central-Ministry setting direction and guidance for the operations of all MDAs.

## *1.7 Legislation*

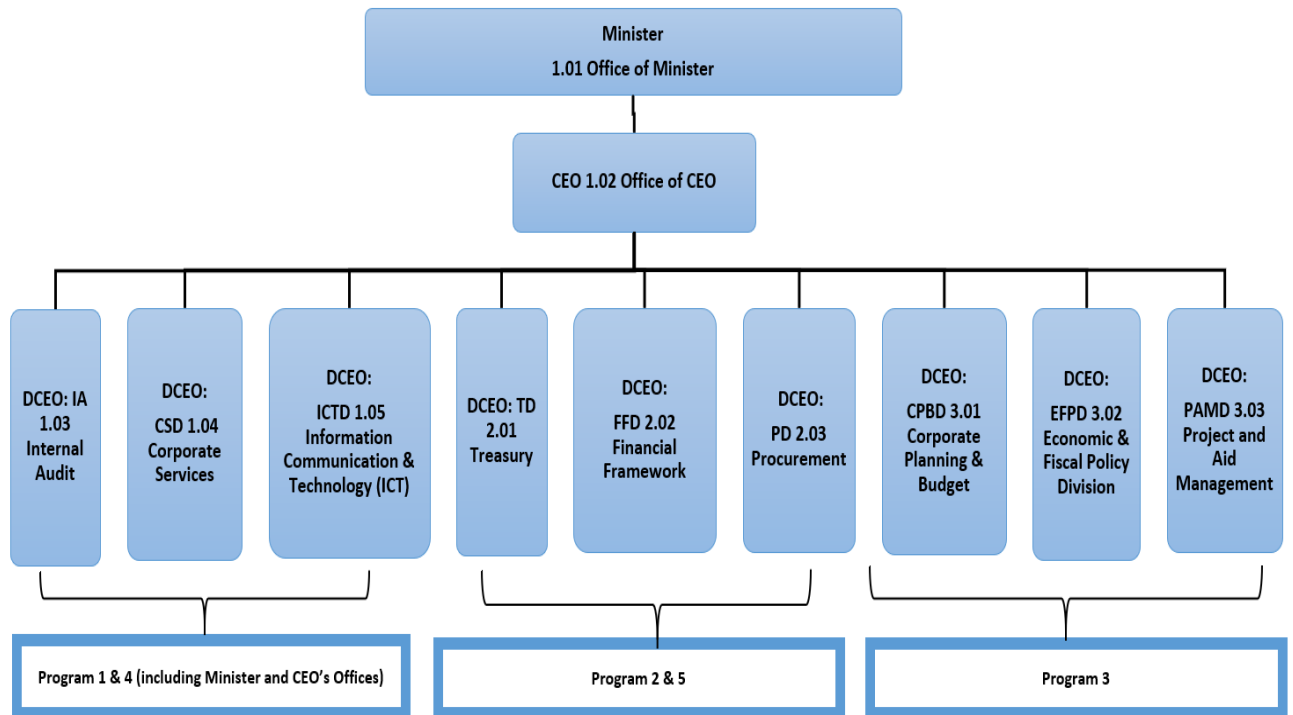
The mandate of the Ministry is established by the Constitution of Tonga, and the following key legislations and policy decisions administered by the Ministry, taking into account the expectations of its customers:

1. The Constitution of Tonga
2. Government Act
3. Public Finance Management Act
4. Public Audit Act
5. Public Service Act
6. Appropriation Act
7. Retirement Fund Board Act
8. Pensions Act
9. National Reserve Bank of Tonga Act
10. Tonga Trust Fund Act
11. Emergency Fund Act
12. Remuneration Act
13. Merged Retirement Fund Act
14. Bretton Wood Act
15. Public Procurement Regulations 2015
16. Public Revenue Regulations
17. Internal Audit Charter
18. International Agreements
19. Tonga Strategic Development Framework II
20. Government Priority Agenda
21. Public Financial Management Reform Roadmap
22. Cabinet Decisions.

## *1.8 Organisational Structure*

To deliver the outputs allocated to each Division/ Sub-Programs, MOF adopted the structure in **Figure 1**. The Minister provided overall leadership while the Chief Executive Officer (CEO) providing overall management. Each Deputy CEO (DCEO) managed a Division (with its associated sub-program) reporting to the CEO who reported to the Minister. The DCEO Internal Audit (IA) also reported directly to the Minister on their outputs.

**Figure 1: Ministry of Finance Organisational Structure**



## 1.9 Performance Management Framework

**Table 4: Performance Management Framework**

<b>Program 1: Leadership &amp; Management</b>		
This program relates to the effective leadership and management of the ministry to better able to deliver its outputs (These are managed through two (2) offices and three (3) Divisions)		
<b>Division</b>	<b>Outputs</b>	<b>Sub Outputs/ Activities</b>
1 – Office of the Minister	1 – Better lead MOF with clear direction and divisions of labour between Minister and CEO 2 – Better evidence-based advice and guidance to stakeholders	-Budget Statement -Budget Estimate -Public Account -Cabinet Submissions -Attendance at overseas meetings
2 – Office of the CEO	1 – Better managed MOF with good support, clear systems and instructions to staff consistent with resources available 2 – Better evidence-based advice and guidance to stakeholders	-Corporate Plan and Ministry Budget -AMP and Quarterly Reports -JDs linked to CP and AMP -PMS Report submission -Attendance at high level meetings
3 – Internal Audit	1 – Better Internal Auditing of MOF and follow up of management responses	Number of audit report submission to Internal Audit Committee Report on follow-up of recommendation implementation Risk Assessment Planned Assignments Special Requests Audit Staff Development Quality Assurance Effectiveness of Process Management
	2 – Better secretariat support to Cabinet Audit Oversight Committee (CAOC)	Report Submission to CAOC
4 – Corporate Services	1 – Better Planning, HR Management, communications, and Performance M&E by the Ministry.	-Human Resource Management - Corporate Planning, AMP, Annual Report. Better MOF Finance, Procurement, Assets Management and Recording. - Better Logistic and Support Services for MOF - Better Managed and Maintained ST George Government Building (SGGB)
5 – Information and Communication Technology	1 – That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders	- Downtime and Uptime of ICT services in power outage - upgrade FMIS and Dynamic Enterprise Performance Management (D/epm) - Migrate phone system Private Automatic Branch Exchange (PABX) to E - gov - Support Services - Development of Procurement Database and publish the procurement KPI on the Website.

	2 – That information available from MOF facilitates the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.	<ul style="list-style-type: none"> <li>- Migrate Domains and internet to E-Gov</li> <li>- Include outer islands connection to sun system</li> <li>- Retirement access to Micro Pay</li> <li>- Development Voucher Management System (VMS) to advise MDAs of vouchers' status</li> </ul>
--	--	---

**Program 2: Treasury Operations**  
It covers core treasury and procurement functions, establishing of appropriate financial policy and frameworks and debt management.  
These are managed through three divisions which are Treasury, Financial Framework, and Procurement.

1 – Treasury	1 – That the public financial management system is efficient and effective managed to facilitate timely payments; quality/accurate financial recording and reporting; and better financial management services to all stakeholders	<ul style="list-style-type: none"> <li>- Checking</li> <li>- Revenue &amp; Voting</li> <li>- Payroll (number of monthly payroll reconciliation, conducted with MDAs)</li> <li>- Payroll</li> <li>-Development</li> <li>-Sub Treasuries</li> <li>-Accounts</li> <li>- Treasury</li> </ul>
2 – Financial Framework	1 – Updated Asset Management Reports to be used by the stakeholders to make informed decision.	Asset Management Reporting PFM Implementation Policy Review Financial Management System Upgrade.
	2 – Public Financial Management (PFM) reform is strengthened for better service delivery through updated policy guidance and instructions.	
3 – Procurement	1 – Efficient and Effective Government procurement rules and procedures.	Policy Review Capacity Development and Awareness Interview Review Government Procurement Committee (GPC) Matters Complaint Management
	2 – Efficient and Effective Government procurement services	Procurement Planning Market research Procurement Proceedings File Management Customer Management

**Program 3: Budget, Economic and AID**  
This Program is responsible for producing the Government Budget Estimate and the various wider policy formulation functions. This includes policy analysis, setting strategic direction, promoting sound macroeconomic management with improved resources allocation covering both domestic and aid resource, and partners. The three divisions are under this Program are: Budget and Corporate Planning, Economic and Fiscal Policy and Project and Aid Management.

1 – Budget and Corporate Planning	1. Effective support system for budgeting is well in place to facilitate evidence-based policy decision in Government.	<ul style="list-style-type: none"> <li>-Production of the Budget Estimates</li> <li>- Contribution to the Budget Strategy and Budget Statement</li> <li>-Budget Monitoring, Evaluation (M&amp;E) and reporting</li> </ul>
-----------------------------------	--	---

2 – Economic and Fiscal policy	1 – That the macro, micro-economics and fiscal policy analysis and advice system provides all stakeholders with the information required to improve evidence-based decision-making regarding sustainable economic growth and social development.	Sound Macroeconomic and Fiscal Policy Framework Budget Strategy Budget Statement Policy advice and reporting Policy Analysis and review
3 – Project and Aid Management Division	1 – Better designed development aid effectiveness policies to guide the formulations of budget and corporate plans for achieving government priorities.	Review of the Development Aid Policies Production of the Development Budget Estimates Production of the Development Budget Narratives to Budget Strategy and Budget statement reports Development Budget Monitoring and Evaluation
	2 – Better information management system to formulate, appraise, approve and monitor projects	Implementation of the Aid Information Management Systems (AIMS) Implementation of the Aid Information Management Systems (AIMS) Staff Professional Development
<b>Program 4: Government General Fund Program</b> Relates to a range of Government’s special payments. These are recorded in the budget as “services on behalf of government”. They are not part of the costs of running the Ministry.		
1 – Centralized in the Corporate Services Division	Management of GGF Budget and Payments	1 – better procedures and monitoring of Government wide payments including the followings: Benefits Travel allowances Subsidies Community development activities Special projects Equity payments, International subscriptions, Exemptions Contingency funds Private sector initiatives
<b>Program 5: Debt Management</b>		
1 – Centralized in the Debt unit within Financial Framework Division	Management of Government Debts	Better procedures and monitoring of interest and principal payments on domestic and foreign debt.

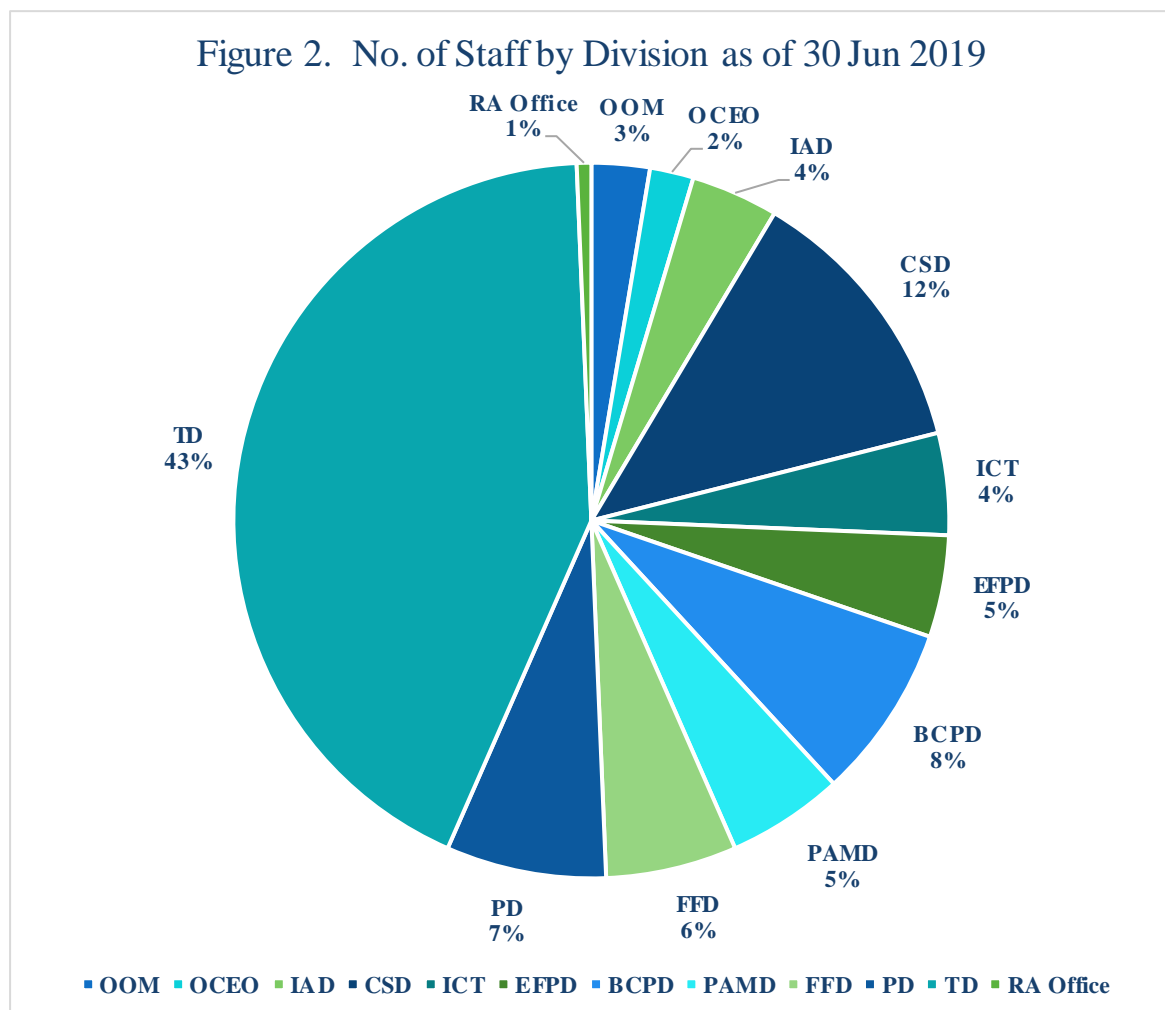
## 2. PERFORMANCE

### 2.1 Human Resource Management

#### 2.1.1 Workforce Size by Division as of 30 June 2019

The majority of the Ministry's staff are in the Treasury Division (43%) and Corporate Services Division (13%). The Treasury Division is composed of 8 Sections: Development, Financial Reporting, Payroll, Revenue & Votes, Checking, Sub-Treasury Vava'u, Sub-Treasury Ha'apai and Sub-Treasury 'Eua.

The Corporate Services Division composed of 4 Sections: Performance Framework, Finance & Assets, Logistic/ Support Services and SGGB Property Management. The sections of these divisions reflected their key roles and responsibilities. The remaining divisions ranges from 4% to 8% of the total staff of the Ministry. During the 2018/19 FY, there were 14 staff entrants versus 15 staff exits of the Ministry of Finance. The details are shown in Figure 2 and Table 5.



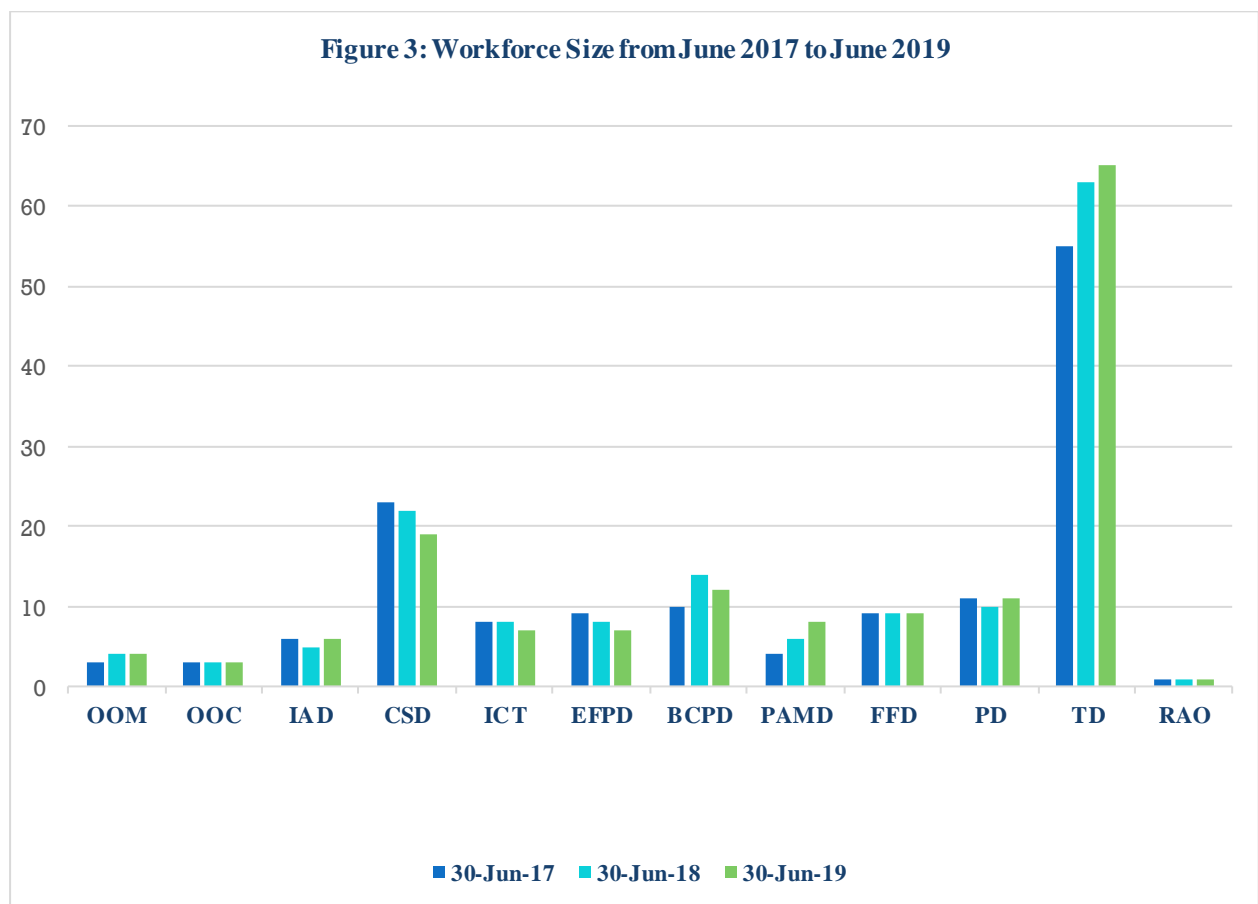
*Table 5: Number of Staff by Division (Established staff)*

<b>Divisions</b>	<b>No. of Staff as of 1 July 2017</b>	<b>No. of Staff as of 1 July 2018</b>	<b>No. of Staff entered during Jul 2018 to Jun 2019</b>	<b>No. of Staff exited during Jul 2018 to Jun 2019</b>	<b>No. of Staff as of June 2019</b>	<b>Percentages (%)</b>
Office of the Minister	3	4	0	0	4	3
Office of the CEO	3	3	0	0	3	2
Internal Audit Division	5	5	1	0	6	4
Corporate Service Division and RA	26	23	3	6	20	13
Information and Communication Technology Division	10	8	0	1	7	5
Economic and Fiscal Policy Division	12	8	0	1	7	5
Budget and Corporate Planning	15	14	1	3	12	8
Project and Aid Management Division	5	6	2	0	8	5
Financial Framework Division	10	9	0	0	9	6
Procurement Division	10	10	1	0	11	7
Treasury Operation Division	59	63	6	4	65	43
<b>Total</b>	<b>158</b>	<b>153</b>	<b>14</b>	<b>15</b>	<b>152</b>	<b>100</b>

### 2.1.2 Growth in Workforce Size by Division as of 30 June 2019

The total number of staff increase in the past two years, mainly with the Projects & Aid Management and Treasury Divisions as indicated in Figure 3 below. The increase in workforce size for the Treasury Division was due to the attempt to strengthen the Payroll and Financial Report Sections. This was to minimize overpayments as well as providing accurate and timely completion of Financial Statements.

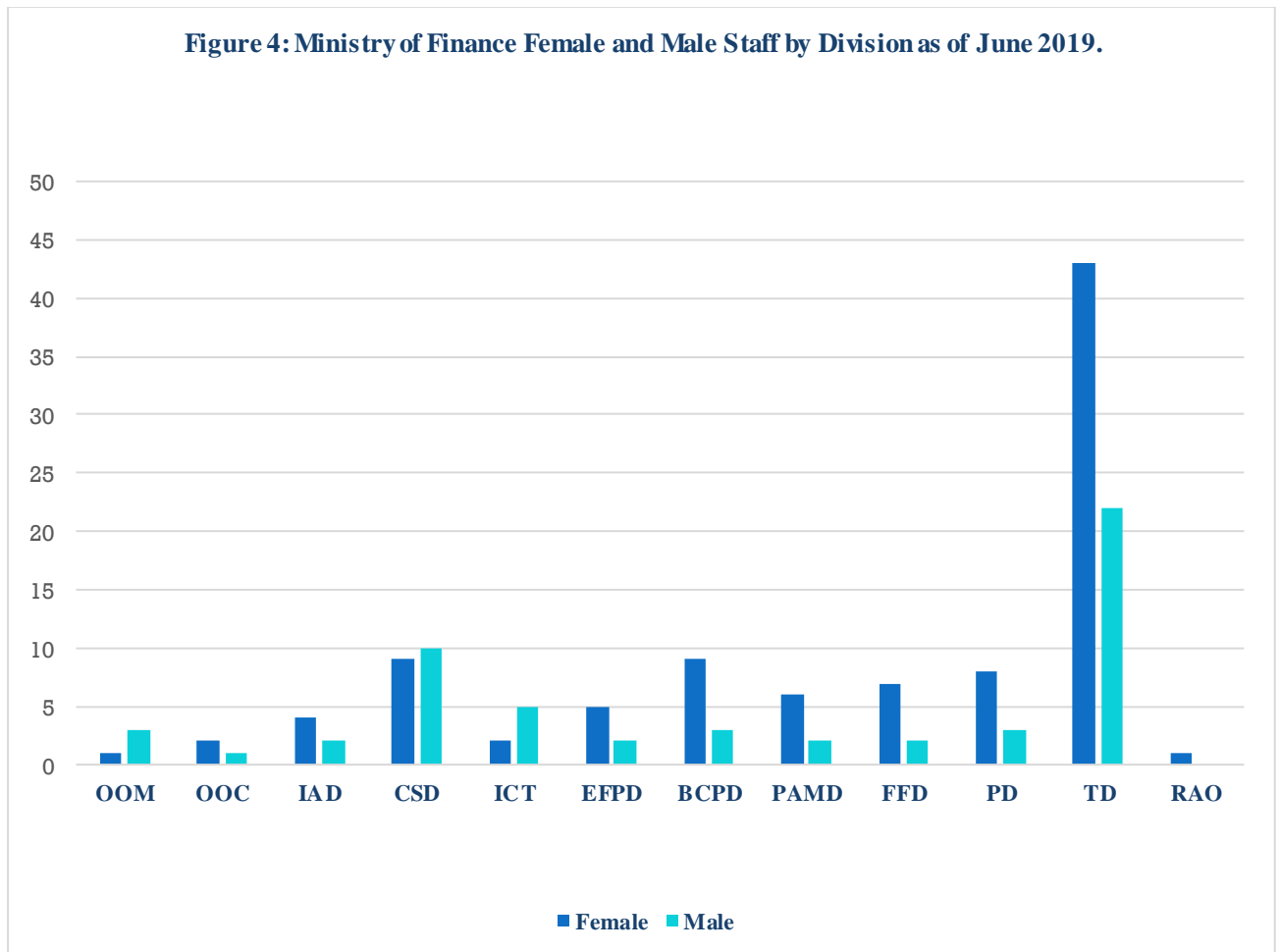
The increased workforce size for the Project & Aid Management Division was due to the effort of the Ministry to strengthen the coordination of Projects and Aid Management. The decrease in the number of staff for Corporate Services Division was due to staff being transferred or promoted to other Ministries.



### 2.1.3 Workforce and Gender

The staff of the Ministry was predominantly male in early 2000s. The female staff has taken over the senior positions of the Ministry, including the Chief Executive Officer. The female to male ratio of the Ministry was 64% to 36%, with FFD (78%:22%), PAMD (75%:25%) and BCPD (75%:25%). The only two divisions with a higher ratio of male to female staff are the Corporate Services Division (53%:47%) and the Information & Communication Technology Division (71%:21%) as indicated in Figure 5 with growth indicated in Table 7.

**Figure 4: Ministry of Finance Female and Male Staff by Division as of June 2019.**



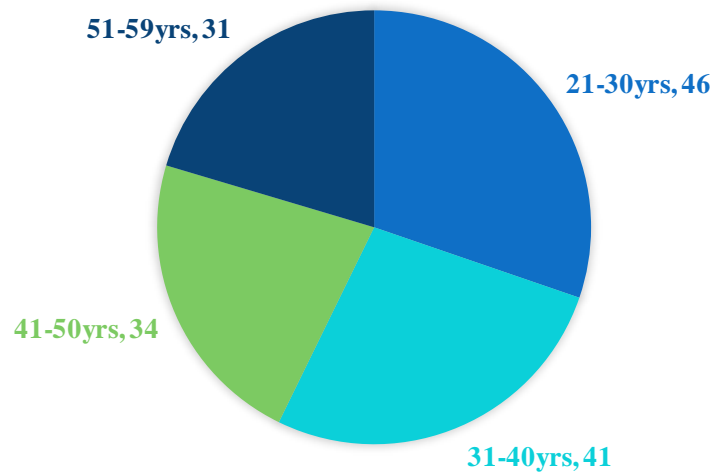
**Table 6: Gender Distribution and Growth by Division as at 30 June 2019**

Division Code	No. of Female staff as of 30 Jun 2018	No. of Female staff as of 30 Jun 2019	Growth Jun 2018-2019	Female (%) Jun 2019	No. of Male staff as of 30 Jun 2018	No. of Male staff as of 30 Jun 2019	Growth Jun 2018-2019	Male (%) Jun 2019	Total No. of staff as of 30 Jun 2018	Total No. of Staff as of 30 Jun 2019
Office of the Minister	1	1	0%	1%	3	3	0%	5%	4	4
Office of the CEO	2	2	0%	2%	1	1	0%	2%	3	3
Internal Audit	3	4	33%	4%	2	2	0%	4%	5	6
Corporate Service	13	9	-31%	9%	9	10	11%	18%	22	19
Information and Communication Technology	2	2	0%	2%	6	5	-17%	9%	8	7
Economic and Fiscal Policy	5	5	0%	5%	2	2	0%	4%	7	7
Budget and Corporate Planning	8	9	13%	9%	4	3	-25%	5%	12	12
Project and Aid Management	6	6	0%	6%	1	2	100%	4%	7	8
Financial Framework	8	7	-13%	7%	3	2	-33%	4%	11	9
Procurement	8	8	0%	8%	2	3	50%	5%	10	11
Treasury Operations	41	43	5%	44%	22	22	0%	40%	63	65
RA Office	1	1	0%	1%	0	0	0%	0%	1	1
<b>TOTAL</b>	<b>98</b>	<b>97</b>	<b>-1%</b>	<b>100%</b>	<b>55</b>	<b>55</b>	<b>0%</b>	<b>100%</b>	<b>153</b>	<b>152</b>

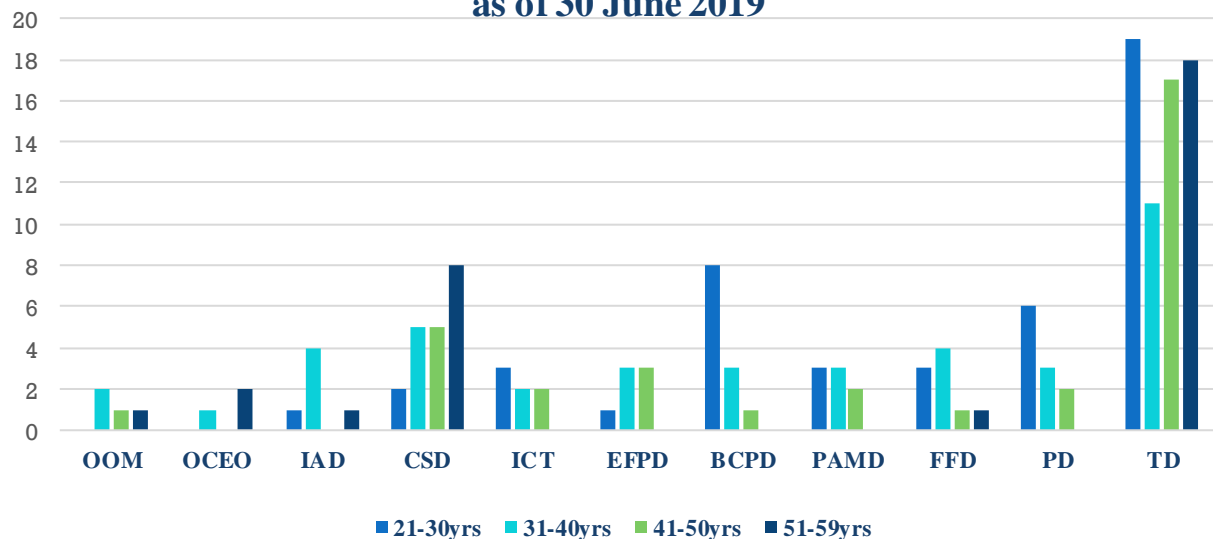
## 2.1.4 Workforce and Age Group

The Ministry staff are relatively at a young age with 57% below the age of 40 as indicated in Figure 5. There is 20% of the total staff who are expected to exit the Ministry through retirement in the next 10 years; mostly from Treasury and Corporate Services Divisions as indicated in Figure 6 and Table 7.

**FIGURE 5. MINISTRY OF FINANCE STAFF BY AGE GROUP AS OF 30 JUNE 2019**



**Figure 6. Ministry of Finance Staff by Age Group by Division as of 30 June 2019**



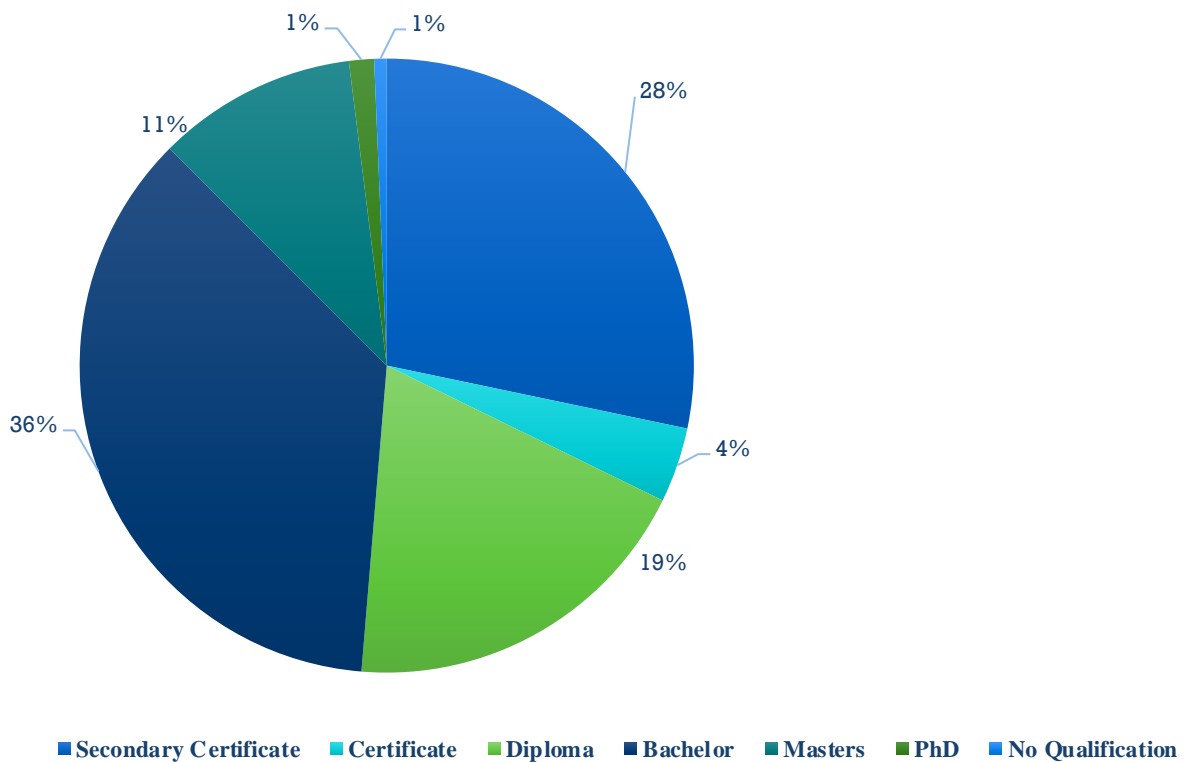
**Table 7: Ministry of Finance Staff Age Group by Division as of 30 June 2019**

<b>Division</b>	<b>21-30yrs</b>	<b>31-40yrs</b>	<b>41-50yrs</b>	<b>51-59yrs</b>	<b>Total no. of employees</b>
Office of the Minister	0	2	1	1	4
Office of the CEO	0	1	0	2	3
Internal Audit Division	1	4	0	1	6
Corporate Services Division	2	5	5	8	20
Information and Communication Technology Division	3	2	2	0	7
Economic and Fiscal Policy Division	1	3	3	0	7
Budget and Corporate Planning Division	8	3	1	0	12
Project and Management Division	3	3	2	0	8
Financial Framework Division	3	4	1	1	9
Procurement Division	6	3	2	0	11
Treasury Operation Division	19	11	17	18	65
<b>TOTAL</b>	<b>46</b>	<b>41</b>	<b>34</b>	<b>31</b>	<b>152</b>
<b>%</b>	<b>30%</b>	<b>27%</b>	<b>22%</b>	<b>20%</b>	<b>100%</b>
<b>Accumulative %</b>	<b>30%</b>	<b>57%</b>	<b>80%</b>	<b>100%</b>	

### 2.1.5 Workforce and Qualification

There is 48% of the staff who are qualified with a Bachelor Degree or higher as indicated in Figure 7. The percentage of degree holders vary among the divisions as in Table 8, with 100% for the Economic & Fiscal Policy and Budget & Corporate Planning Divisions indicating the demand for expertise and competencies in order to deliver the stated outputs for these divisions.

**Figure 7. % of Ministry of Finance Staff by Qualification as of June 2019**



*Table 8: Ministry of Finance Staff's Qualification by Division 2018/19*

<b>Division</b>	<b>Secondary Certificate</b>	<b>Certificate</b>	<b>Diploma</b>	<b>Bachelor</b>	<b>Masters</b>	<b>PhD</b>	<b>No Qualification</b>	<b>Total No. of Staff as of 30 June 2019</b>	<b>No. of Staff with Degree+</b>	<b>% of Staff with Bachelor Degree or Higher</b>
<b>Office of the Minister</b>	2			1		1		4	2	50%
<b>Office of the CEO</b>	1	1			1			3	1	33%
<b>Internal Audit Division</b>			1	3	2			6	5	83%
<b>Corporate Services Division</b>	9	3	1	4	3			20	7	35%
<b>Information and Communication Technology Division</b>		1	2	4				7	4	57%
<b>Economic and Fiscal Policy Division</b>				4	3			7	7	100%
<b>Budget and Corporate Planning Division</b>				12				12	12	100%
<b>Project and Aid Management Division</b>			2	3	2	1		8	6	75%
<b>Financial Framework Division</b>			4	4	1			9	5	56%
<b>Procurement Division</b>			4	6	1			11	7	64%
<b>Treasury Operation Division</b>	31	1	15	14	3		1	65	17	26%
<b>TOTAL</b>	43	6	29	55	16	2	1	152	73	100%
<b>%</b>	28%	4%	19%	36%	11%	1%	1%	100%		
<b>Accumulative %</b>	99%	71%	67%	48%	12%					

## **2.2. Recruitment During 2018/19 Financial Year**

The vacant positions of the Ministry during the financial year were processed in compliance with the Public Service Policy Instructions 2010 and filled by new appointments, internal promotions, transfer and promotions and redeployments.

### **2.2.1 Ministry of Finance New Appointments During 2018/19 FY**

There were 13 vacant positions of the Ministry filled with new appointments during 2018/19 Financial Year. The details are shown in Table 9 below.

**Table 9: Ministry of Finance New Appointments During 2018/2019**

Sisilia Mohulamu Finau	Principal Auditor (Band I)	Internal Audit Division	10/16/2018
Gladys Nicolle Fukofuka	Deputy Secretary (Band G)	Corporate Service Division	2/4/2019
Mahe'uliuli Kisina	Economist (Band L)	Budget and Corporate Planning Division	11/28/2018
Kilisitina Angahikifo'ou Puleiku	Principal Economist (Band I)	Project and Aid Management Division	8/4/2018
Piula Fanavai Tuiono	Assistant Economist (Band M)	Project and Aid Management Division	4/8/2019
Lafaele Ulupano	Assistant Procurement Officer (Band M)	Procurement Division	11/29/2018
Lupe Atevalu	Accountant (Band L)	Treasury Operation Division	8/8/2018
Kaloni 'Ofa Fakatava	Financial Analyst (Band L)	Treasury Operation Division	8/8/2018
Alieta Sangu V Latu	Clerk Class 2 (Band P)	Corporate Services Division	5/3/2019
Atalanita Tinalasa O Feao	Clerk Class 2 (Band P)	Treasury Operation Division	4/2/2019
Fehoko Ha'apai Olie	Clerk Class 2 (Band P)	Treasury Operation Division	5/3/2019
Keleni Manu	Accountant (Band L)	Treasury Operation Division	10/18/2018
Mele Tiulipe Fifita	Accountant (Band L)	Treasury Operation Division	6/12/2019

### 2.2.2 Ministry of Finance Staff Promotions During 2018/19 FY

There were 13 vacant positions of the Ministry filled with promotions during 2018/19 Financial Year. The details are shown in Table 10 below.

**Table 10. Ministry of Finance Promotions during 2018/19**

Name/ Current Position	Post	Division	Assumption of Duty
Seiloima Fisiikava Fakatoka/ Senior Procurement Officer	Principal Procurement Officer (Band I)	Procurement Division	7-Jun-19
Paea He Lotu Savou Tongotea/ Assistant Accountant	Financial Analyst (Band L)	Treasury Operation Division	17-Jun-19
Ms Velonika 'Ulufitu Po'uliva'ati/ Economist	Senior Economist (Band J)	Budget and Corporate Planning Division	28-Jun-19
Mr Tevita Leha'uli/ System Administrator	System Analyst (Band J)	Information and Communication Technology Division	28-Jun-19
Ms Vasiti Lemani/ Assistant Accountant	Accounting System Administrators (Band L)	Financial Framework Division	3-Aug-18
Mrs Lavender Manu/ Clerk Class 1	Chief Clerk (Band M)	Treasury Operation Division	3-Aug-18
Ms Edwina Fasi/ Clerk Class 2	Clerk Class 1	Treasury Operation Division	3-Aug-18
Ms. Melenaite Vaiaku 'Ahofono/ Senior Economist	Principal Economist (Band I)	Budget and corporate Planning Division	31-Aug-18
Mr. Tupou Tufui/ Procurement Officer	Senior Procurement Officer (Band K)	Procurement Division	5-Oct-18
Ms Sasinita Tapueluelu/ Accountant	Senior Economist (Band J)	Budget and Corporate Planning Division	5-Oct-18
Ms. Lepolo Lomavita Taufatofua/ Assistant Accountant	Accounting System Administrator (Band L)	Financial Framework Division	23-Nov-18
Ms. Christine Latu Lopeti/ Assistant Procurement Officer	Procurement Officer (Band L)	Procurement Division	7-Dec-18
Mrs. 'Ilisapesi Halaleva Tausisi/ Accountant	Senior Economist (Band J)	Budget and Corporate Planning and Division	12-Dec-18

### 2.2.3 Staff Exited the Ministry of Finance During 2018/19 FY

There were ten (10) staff that exited (resigned/dismissed) the Ministry of Finance during 2018/19 FY. About 70% exited to take up positions outside of the Public Service and 30% to migrate overseas. The details are shown in Table 11.

**Table 11. Ministry of Finance Staff that Exited During 2018/19FY**

Name	Post	Division	Exit Date	Nature of Exit
Ms Vaitai Havea	Economist	Budget Division	8/08/2018	Resignation
Ms Kakala 'Aunofu Lutui	Accountant	Treasury Division	16/10/2018	Resignation
Mrs Melenaite Hojelsen	Executive Assistant	Corporate Services Division	10/12/2018	Dismissed
Mr Alfred Ma'ake Soakai	System Analyst	Information and Communication Technology Division	10/12/2018	Resignation
Mrs Natalia Latu	Deputy Secretary	Corporate Services Division	1/11/2018	Resignation
Mr 'Alemitolo Lufilufi Selupe	Driver	Corporate Services Division	15/02/2019	Dismissed
Mrs Fatai-Moe-Manu 'Ofaloto-Ki-Pilitania Malolo Puname	Property Officer	Corporate Services Division	18/04/2019	Resignation
Mr 'Epoki Afemui	Senior Economist	Budget and Corporate Planning Division	26/04/2019	Resignation
Mr Tevita Sylvester Tu'iono	Assistant Accountant	Treasury Division	17/05/2019	Resignation

**2.2.4 Ministry of Finance Appointment of Daily Paid Labourer**

**During 2018/19**

There were eight (8) daily paid labourers appointed during 2018/19 FY, mostly Watchmen as there are no established position. The details are shown in Table 12.

**Table 12. Ministry of Finance Daily Paid Labourer Appointed during 2018/19**

Name	Position	Start Date	End Date	Duration of Contract
Ms Megny Tu'i'onetoa	Daily Office Assistant	13/07/2018	12/07/2019	1 year
Mr Sione Filipe Tongilava	Daily Watchman	26/11/2018	01/07/2019	1 year
Mr Semisi Lalahi	Daily Watchman	18/10/2018	17/03/2020	1 year
Mr Sione Kaivei Hoeft Jr	Daily Paid Assistant Economist	22/11/2018	29/11/2019	1 year
Mr Samuela Fungavai	Daily Paid Assistant Accountant	29/04/2019	26/02/2020	1 year
Ms Malia Tu'ifua	Daily Paid Accounts Officer	04/06/2019	06/12/2019	1 year
Mr Kaukauola Siuta	Daily Paid Payroll Clerk	04/06/2019	03/06/2020	1 year
Mr Melino Sisifa	Daily Paid Watchman	26/06/2019	25/06/2020	1 year

## 2.3 Ministry of Finance Capacity Development During 2018/19 FY

The Ministry of Finance continue to strengthen capacity development for staff both locally and overseas. The details of staff participating in capacity development trainings/ workshops and participating in various overseas meeting during the 18/19 FY are shown in Table 13 and 14.

**Table 13. On-line/ In-house Training for Staff**

No.	On- line / Local Training	Participants	Dates
1	PMS Training Phase 5	CSD Staff. Training on PMS for other staff of the Ministry was scheduled to commence in June 2019.	June 2019
2	PMS Training	All staff at Sub- Treasuries: Vava'u, Ha'apai and 'Eua	Oct/ Nov 2018
3	Induction Training for new recruits	1. Sisilia Mohulamu Finau 2. Gladys Nicolle Fukofuka 3. Maheuliuli Kisina 4. Kilisitina Angahikifo'ou Puleiku 6. Lafaele Ulupano 7. Lupe Atevalu 8. Kaloni 'Ofa Fakatava 9. Alieta Sungu V Latu 10. Atalanita Tinalasa O Feao 11. Fehoko Ha'apai Olie 12 Mele Tiulipe Fifita	16/10/2018 4/2/2019 28/11/2018 4/8/2018 29/11/2018 8/8/2018 8/8/2018 5/3/2019 4/2/2019 5/3/2019 12/06/2019
4	Chart of Accounts	Line Ministries, Budget Division Staff, Treasury Division Staff, Nanise Tu'ineau, Fakaola Lemani	6-7 June, 2019
5	Online Level 2 Certificate in Public Procurement UNDP/ CIPS	7 Procurement Staff: Pisila Ótunuku, Raisa Tuípulotu, Meleane Finau, Meleane Kofeloa, Tekemapa Pone, Melesungu Halaholo and Mosese Fatukala.	Completed 30 Jan 2019  (Commenced 7 Aug 2018)
6	Online Level 3 Advanced Certificate in Public Procurement UNDP/CIPS	10 Procurement Staff: Pisila Ótunuku, Raisa Tuípulotu, Meleane Finau, Meleane Kofeloa, Tekemapa Pone, Melesungu Halaholo, Mosese Fatukala, Seiloima Fakatoka, Tupou Tufui and Christine Latu	Commenced 6 May 2019  (Completed in October 2019)

**Table 14. Overseas Travel for Training/ Workshops and Meetings During 2018/19 FY**

No.	Name of Workshop/Trainings	Name of staff	Position	Division	Country	Dates
1	Macroeconomic Policy for Stabilization and Growth in the Pacific	Tlaisaane Vea	Senior Economist	Budget & Corporate Planning	Honiara, Solomon Is.	9th-13th July 2018
2.	Executive Education Program on Disaster Risk Financing	Kilisitina Tuamei'api	Deputy CEO	Budget & Corporate Planning	Cambridge, London	16th-20th July 2018
3	University Grants Committee Meeting	Balwyn Fa'otusia	CEO for Finance	Office of the CEO	Suva, Fiji	16th-20th July, 2018
4.	Economic Planning & Management course	Ana Lotuma Falefehi Ika	Chief Economist	Economic and Fiscal Policy	Malaysia	6 <sup>th</sup> -17th August 2018
5.	Regional Government Finance Statistics (GFS) Classification, Compilation & Dissemination Workshop	Ana Lotuma Falefehi Ika Toakase Palelei Nanise Lolohea Joseph Kauhalianua	Chief Economist Chief Accountant Principal Accountant Senior Accountant	Economic and Fiscal Policy Budget and Corporate Planning Financial Framework	Nadi, Fiji	20th-24th August, 2018
6	S2030 Corporate Results Framework-PacificDMC Consultations Tonga	Ilisapesi Baker	Chief Economist	Project & Aid Management	Nadi, Fiji	27th August, 2018
7.	Asia-Pacific Network Information Centre (APNIC) 46 Conference	Tu'amelie Paea	Deputy CEO	Information Communication & Technology	Noumea, New Caledonia	6th-13th September, 2018

8.	2018 Asian Evaluation Week (AEW)	Iisapesi Baker Tu'itamala Vaka	Deputy CEO Chief Accountant	Project & Aid Management Treasury	Chengdy, China	10th-14th September, 2018
9.	Global Public Procurement Conference and 4th APPEN Conference of the Asia Pacific Public Electronic Procurement Network (APPEN)	Tu'amelie Paea Mosese Sikulu Fatukala	Deputy CEO Chief Procurement Officer	Information Communication & Technology Procurement Division	Washington DC. USA	18th-20th Sept, 2018
10	Understanding Risk Pacific Forum	Hon. Dr Pohiva Tu'i'onetoa  'Ana Fakaola Lemani  Siosifa Langa'oi	Hon. Minister for Finance  Deputy CEO  Senior auditor	Office of the Minister Financial Framework Internal Audit division	Port Vila, Vanuatu	16th-19th October 2018
11	2018 Seminar on Social Security and Social Welfare for Developing Countries	Seluvaia Paea	Clerk Class 1	Treasury	China	11th-31st October, 2018
12	2018 Guangdong Province Public Diplomacy week	Kilisitina Angahikifo'ou Puleiku	Principal Economist	Project & Aid Management	Guangzhou, China	20-29 October, 2018
13	Capacity Building Programme for Eas/Ias on Successful Project Design and Implementation	Iisapesi Baker 'Epoki Afemui	Deputy CEO Senior Economist	Project & Aid Management Budget & Corporate Planning	Manila, Philipinnes	23rd-25th October, 2018
14	PREP Regional Advisory Committee	Balwyn Fa'otusia	CEO for Finance	Office of the CEO	Suva, Fiji	1 - 2 November 2018
15	World Congress of Accounts	Hon. Pohiva Tu'i'onetoa  Makeleta Siliva  Tu'itamala Vaka  Pisila Matafahi 'Otunuku	Minister for Finance  DCEO-Treasury  Chief Accountant  DCEO-Procurement	Office of the Minister  Treasury  Procurement	Sydney, Australia	5-8 November

		ʻAna Fakaola Lemani	DCEO – Financial Framework	Financial Framework		
16	UN Climate Change Conference: COP24/CM 14/CMA1.3	Balwyn Fa'otusia	CEO for Finance	Office of the CEO	Katowice, Poland	2nd-14th December, 2018
17	PFTAC workshop on Policy Making to Influence Sustainable Growth and Productivity	Sione Faleafa	Chief Economist	Economic and Fiscal Policy	Nadi, Fiji	3rd-5th December, 2018
18	GDP Forecasting discussions with Tuvalu Officials	Sione Faleafa	Chief Economist	Economic and Fiscal Policy	Nadi, Fiji	3rd-5th December, 2018
19	Adapting to Aging Asia: Developing Effective Response and Long- Term Care Systems	Semisi Lulu Faupula	Principal Economist	Economic and Fiscal Policy	Tokyo, Japan	5th-7th December, 2018
20	IMF-WB Workshop on the revised Debt Sustainability Framework for Low-Income Countries (LIC,DSF)	Ana Lotuma Falefehi Ika Heta Pohiva	Chief Economist Senior Financial Analyst	Economic and Fiscal Policy Financial Framework	Nadi, Fiji	14 <sup>th</sup> -18 <sup>th</sup> January 2019
21	PFTAC Training Workshop on Enhancing Financial Reporting	Nanise Lolohea  'Ailine Taumoha'apai  Veisia Mafi	Principal Accountant  Senior Accountant  Accountant	FFD  Treasury  Treasury	Nadi, Fiji	28 <sup>th</sup> Jan – 1 <sup>st</sup> Feb 2019
22	Prince Mahidol Award Conference (PMAC) 2019: Political economy (socio- economic implications) of NCD.	'Ana Ika	Chief Economist	Economic and Fiscal Policy	Bangkok, Thailand	29th January-3rd February, 2019

23	High level Ninth Regional 3R forum in Asia & Pacific	Hon Dr Pohiva Tu'ionetoa	Hon. Minister for Finance	Office of the Minister	Bangkok, Thailand	22/2/2019
24	High Level Meeting on Post Cotonou Discussion	Hon Dr Pohiva Tu'ionetoa	Hon. Minister for Finance	Office of the Minister	Apia, Samoa	26/2/2019
25	Knowledge Action Plan Consultation Workshop	Nick Lavemaau	Economist	Project & Aid Management	Bangkok, Thailand	5th-6th March, 2019
25	Government Financial Statistics (GFS)	Lesieli Manuofetoa	Senior Economist	Economic and Fiscal Policy	Singapore	25th March- 5th of April, 2019
26	PFTAC Workshop on Cash Management and Cash Flow Forecasting	Semisi Lulu Faupula `Ailine Taumoha`apai.	Principal Economist Senior Accountant	Economic and Fiscal Policy Treasury	Apia, Samoa	29th April- 3rd May, 2019
27	52nd ADB Annual Meeting of Governors	Hon Dr Pohiva Tu'ionetoa Balwyn Fa`otusia Lesieli Tufui Faletau Ilisapesi Baker	Hon. Minister for Finance. CEO DCEO – EFPD DCEO- PAMD	Office of the Minister, CEO, Economic Fiscal Policy, Project Management and Aid.	Nadi, Fiji	1st - 5th May 2019
28	World Bank Pearl Workshop	Hon. Pohiva Tu`ionetoa Balwyn Fa`otusia Ilisapesi Baker Lesieli Tufui Faletau	Minister for Finance CEO Deputy CEO Deputy CEO	Economic and Fiscal Policy Project & Aid Management	Nadi, Fiji	6th-8th May, 2019
29	Forum Economic Ministers' Meeting (FEMM)	Hon Dr Pohiva Tu'ionetoa Balwyn Fa`otusia	Hon. Minister for Finance. CEO DCEO – EFPD	Office of the Minister, CEO, Economic Fiscal Policy, Project	Suva, Fiji	7th-9th May, 2019

		Lesieli Tufui Faletau `Ilisapesi Baker	DCEO- PAMD	Management and Aid.		
30	Official visit to Observe the Pacific ICT as one of the requirements for the E-Government	Hon Dr Pohiva Tu`i`onetoa  Balwyn Fa'otusia  `Ilisapesi Baker  Viliami Tupou  Tevita Leha`uli	Minister for Finance  CEO  DCEO  ADCEO  System Analyst	Office of the Minister  Office of the CEO  Information Communication and Technology	Suva, Fiji	13th - 17th May 2019
31	ADB/ Global Climate Financing – Policy Dialogue	Lesieli Tufui Faletau	DCEO	Economic Fiscal Policy	Manila. Philippines	14 <sup>th</sup> – 20th May 2019
32	The Commonwealth Natural Resource Sovereign Wealth Fund Workshop	Nanise Lolohea	Principal Accountant	Financial Framework	London, UK	24 <sup>th</sup> – 25th June 2019.

### 3. RESULTS MANAGEMENT

The Ministry's performance is assessed against the achievement of its outputs. The outputs, and their grouping into programs and divisions are listed below:

#### *Program 1: Leadership and Management*

This Program relates to the effective leadership and management of the Ministry to better deliver its outputs. These are managed through two offices and three divisions.

#### *08.1.01 Office of the Minister (OoM)*

**Output 1:** That the Leadership and Policy Advice are in compliance with the PFM Act and other relevant Acts and Regulations.

1. Better led Ministry with clear direction and divisions of labor between Minister and CEO;
2. Better evidence-based advice and guidance to stakeholders.

#### *08.1.02 Office of the CEO (OCEO)*

**Output 2:** That the management of the Ministry is in accordance to the PFM Act and other relevant Acts and Regulations.

1. *Better managed Ministry with good support, clear systems and instructions to staff consistent with resources available;*
2. *Better evidence-based advice and guidance to stakeholders.*

#### *08.1.03 Internal Audit Division (IAD)*

**Output 3:** Providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Government.

1. *Better Internal Auditing of Ministry and follow up of management responses.*

#### *08.1.04 Corporate Services Division (CSD)*

**Output 4:** That the Ministry and stakeholders are provided with the human resources, financial, logistical support and property management.

1. Better Planning, Human Resource Management, Communications and Performance, Monitoring and Evaluation by the Ministry;
2. Better Finance, Procurement & Asset Management;
3. Better Logistic and Support Services for Ministry;
4. Better Managed and Maintained St George Government Building (SGGB).

## ***08.1.05 Information and Communication Technology Division***

### ***(ICTD)***

**Output 5:** That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders.

1. Downtime and Uptime of ICT services in power outage (hours of downtime and uptime of ICT services);
2. Upgrade FMIS and D/emp (% of completion);
3. Migrate phone system PABX to E-Gov;
4. Development of Procurement database and publish the procurement KPI on the website.

**Output 6:** That information available from the Ministry facilitated the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.

- 1 More reliable Ministry ICT systems;
- 2 Better access for all MDAs and other to MOF information and databases and related services provided by Ministry;
- 3 Better managed security system for SGGB, ensuring safety of staff and property .

## ***Program 2: Treasury Operations***

This Program relates to the support that Ministry provides to the implementation of the budget. It covers treasury and procurement functions, establishing of appropriate financial policy, frameworks and debt management. These are managed through three divisions.

### ***08.2.01 Treasury Division (TD)***

**Output 7:** That Government and stakeholders are provided with effective and efficient treasury financial management services.

1. *Better financial management system and public accounts.*

### ***08.2.02 Financial Framework Division (FFD)***

**Output 8:** That the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions.

1. Better PFM Reform Program;
2. Better Debt and Asset Management and Reporting;
3. Better management of the operations of the Sun System and control of access.

### ***08.2.03 Procurement Division (PD)***

**Output 9:** Implementation of the Public Procurement Regulations (PPR) 2015

1. Better government procurement rules and procedures;
2. Better government procurement services.

### ***Program 3: Budget, Economic and Aid***

This program relates to the wider Policy formulation role of the Ministry of Finance. This includes policy analysis, setting strategic direction, promoting sound macroeconomic management with improved resources allocation covering both domestic and aid resources. These functions are managed through three divisions.

#### ***8.3.01 Budget and Corporate Planning (BCPD)***

**Output 10:** That a support system for budgeting is well in place to facilitate evidence-based policy in government.

1. Better policy, systems and management for operations and integrated results- based three-year medium-term corporate plans and budgets;
2. Better formulated budgets and corporate plans, with improved monitoring, management and reporting on operation and progress.

#### ***8.3.02 Economic and Fiscal Policy Division (EFPD)***

**Output 11:** That the macro, micro-economics and fiscal policy analysis and advice system provides all stakeholders with the information required to improve evidence-based decision-making regarding sustainable economic growth and social development.

1. Better evidence based macro and micro-economic, fiscal policy analysis and advice. To build on better reporting of progress and forecasting, and to support improved decision making on the economy and the macroeconomic stability.

#### ***8.3.03 Project and Aid Management Division (PAMD)***

**Output 12:** To promote Aid effectiveness policies and support the formulation of budget and corporate plans for achieving government priorities.

1. Better platform for management of aid effectiveness and harmonization;
2. Better project cycle system to formulate, appraise, approve, monitor and report on projects.

## ***Program 4: Government General Fund (GGF) Program***

**Output 13:** That the Government General Fund is effectively managed.

This relates to a wide range of special payments made on behalf of Government. This fund contains a significant part of the Budget under the Ministry of Finance, but they are not part of the costs of running the Ministry. GGF payments include benefits, subsidies, community development activities, special projects, equity payments, international subscriptions, exemptions, contingency funds and private sector initiatives.

All payments are made by the Corporate Services Division, in consultation with the relevant Line Ministries.

## ***Program 5: Debt Management***

**Output 14:** Better Debt Management and Reporting.

This program relates to the payment of interest and principal on domestic and foreign debt of Government. The Payments are managed by the Debt Unit within the Financial Framework Division.

### ***3.1 Performance Management***

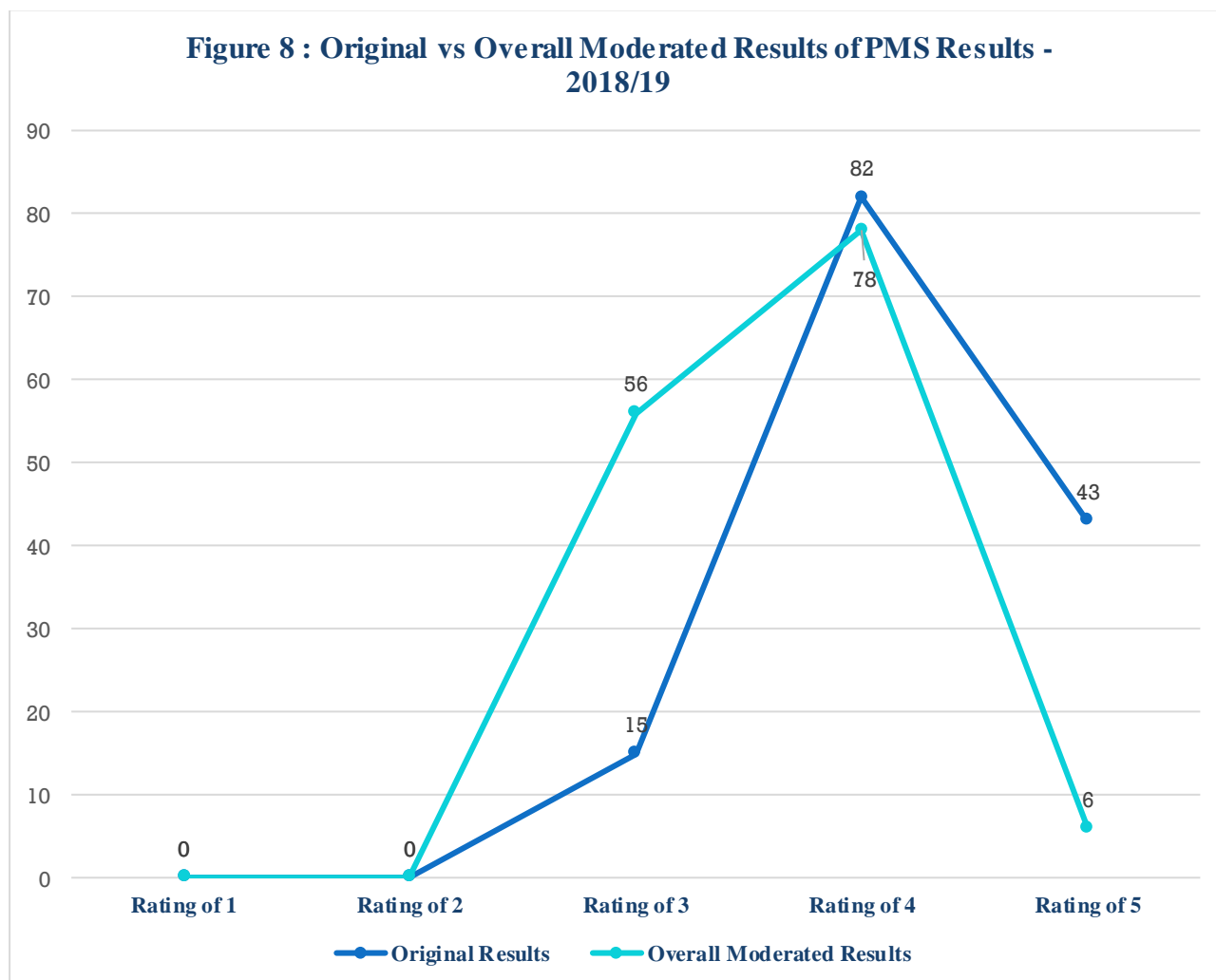
#### **Results for the 2018/2019 implementation of PMS**

There was a total of one hundred fifty-two (152) staff in the FY2018/19 (140 staff and 12 contracts), and one hundred forty (140) staff participated in the PMS for this period. The results showed that the Ministry in its original submissions continue to be heavily skewed towards the right, suggesting exceeding and outstanding performance (89.3%), 10.7% performing to expectations and nil of underperformance.

Following the moderation process, to ensure that standards of performance assessment criteria had been consistently applied across the Line Ministries, sixty percent (60%) exceeded performance and forty percent (40%) of the Ministry's staff performed to expectations, with nil underperformers.

**Table 15: Overall results 2018/2019 – Original vs Moderated**

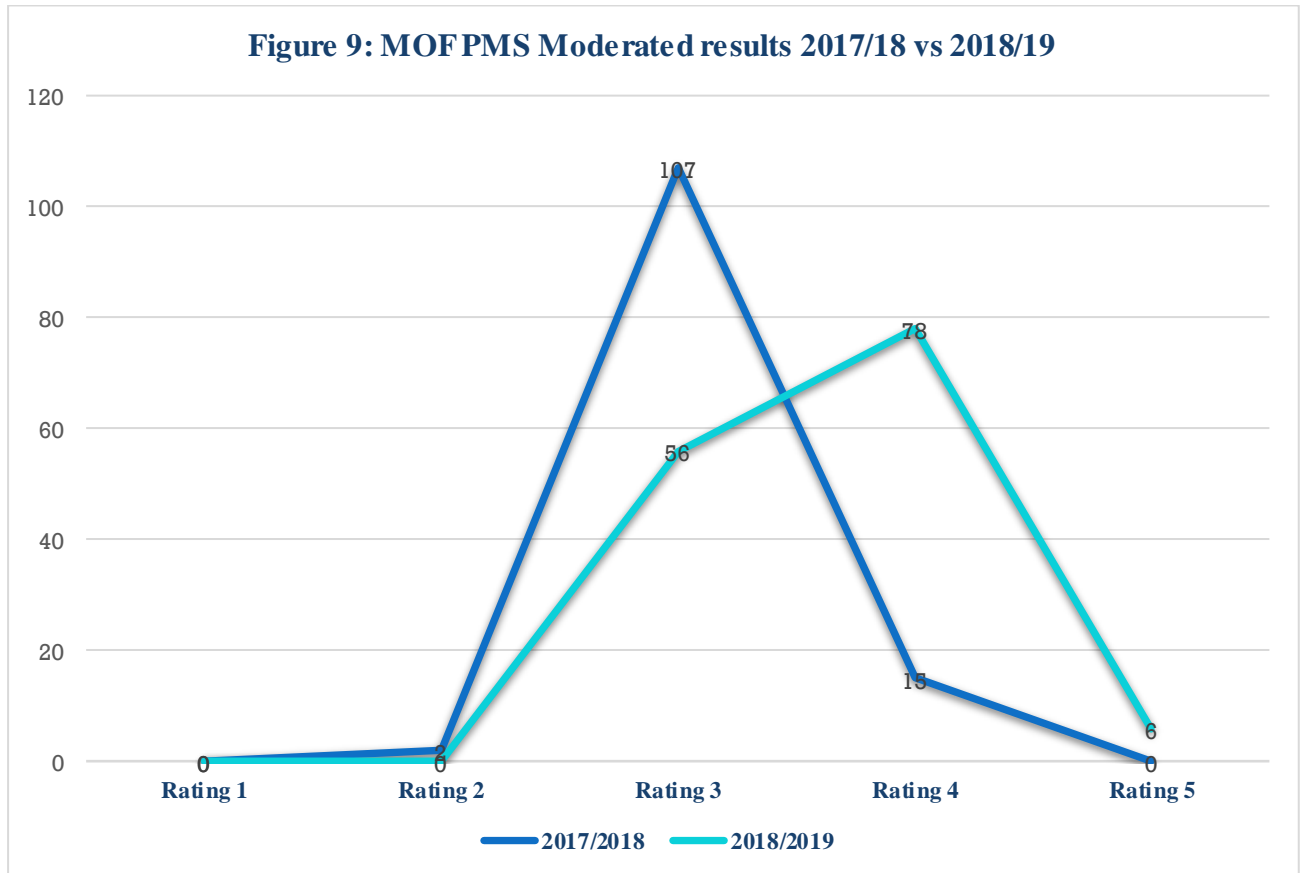
	Rating of 1 (1 – 1.9)	Rating of 2 (2 – 2.9)	Rating of 3 (3 – 3.4)	Rating of 4 (3.5 – 4.4)	Rating of 5 (4.5 – 5)	Total
<b>Original Results</b>	0 (0.0%)	0 (0.0%)	15 (10.7%)	82 (58.6%)	43 (30.7%)	<b>140</b>
<b>Overall Moderated Results</b>	0 (0.0%)	0 (0.0%)	56 (40%)	78 (55.7%)	6 (4.3%)	<b>140</b>



Comparing the PMS results for the 2017/18 and 2018/19, there was improvement in the results for 2018/19. There were two (2) staff who were in the underperformance category in the previous year compared to nil in this period. There was a slight increase in the numbers who were in the outstanding ratings of five (5) which were six (6) staff compared to nil in the previous year’s PMS. The majority of the Ministry’s staff were of rating 4 (78 staff) and 56 staff (rating 3) which were those in the ‘exceed’ category. Overall, the majority of staff performance exceeded expectation.

**Table 16: MOF PMS Moderated Results 2017/2018 vs 2018/2019**

PMS Year	Rating of 1 (1 – 1.9)	Rating of 2 (2 – 2.9)	Rating of 3 (3 – 3.4)	Rating of 4 (3.5 – 4.4)	Rating of 5 (4.5 – 5)
<b>2017/2018</b>	0	(2) (1.6))	107 (86%%)	15 (12%)	0 (0%)
<b>2018/2019</b>	0	0 (0%)	56 (40%)	78 (55.7%)	6 (4.3%)



## 3.2 Output Performance against KPIs

This section provides the output performance of the Programs and Divisions against the Key Performance Indicators (KPIs).

### 3.2.1 Program 1: LEADERSHIP & MANAGEMENT

This program relates to the effective leadership and management of the Ministry to better deliver its outputs. These are managed through two (2) offices and three (3) Divisions.

#### OFFICE 1: OFFICE OF THE MINISTER

##### **Mandate**

The Minister's responsibilities are in accordance with the Constitution, Public Finance and Management Act 2002 and other related statutes and policies. The Minister is responsible for providing policy advice to the Prime Minister and Cabinet to support national development, economic growth, and sound management of the public accounts with fiscal stability.

**Table 17: Office of the Minister's Outputs against Key Performance Indicators (KPIs)**

Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Sub Output 1- Better led MOF with clear direction and divisions of labor between Minister and CEO</b>				
Budget Statement Budget Estimate Public Account	Submitted on time to LA	Completed	n/a	n/a
<b>Sub Output 2- Better evidence-based advice and guidance to stakeholders</b>				
Cabinet Submissions	12	Completed	n/a	n/a
Attendance at Overseas meetings	5	Completed	n/a	n/a

#### OFFICE 2: OFFICE OF THE CEO

##### **Mandate**

The CEO and Head of Divisions are supported by a range of professional and administrative staff playing key roles and responsibilities. Their main focus is to maintain the performance ensuring the Ministry is successful in becoming the lead economic and finance adviser to Government. Given the core responsibility of the Ministry, the Minister and CEO hold a large number of external and internal responsibilities related to the Ministry's outputs.

**Table 18: Office of the CEO's Outputs against Key Performance Indicators (KPIs)**

Sub- Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1- Better managed MOF with good support, clear systems and instructions to staff consistent with resources available</b>				
Corporate Plan and Budget for the Ministry	Completed before due date to LA	Completed on due date.	To schedule work plan to meet KPI.	To complete few days before due date.
AMP and Quarterly Report	Completed before due date	Completed after due date.	To schedule work plan to meet KPI	To complete before due date
Clear JDs linked to AMP	% of Posts completed – 80%.	Meet target.	Plan to complete all JDs to 100%.	To complete 100% of JDs
PMS Report submitted to PSC	Submit before due date	Submitted on due date.		To complete and submit before due date.
<b>Output 2- Better evidence-based advice and guidance to stakeholders</b>				
Number of Cabinet Submissions	12	Completed.	n/a	n/a
Attendance at high level meetings	100%	Completed.	n/a	n/a

### **DIVISION 3: INTERNAL AUDIT**

#### **Mandate**

The Internal Audit Charter 2018 mandates the division to provide assurance to the Minister for Finance that internal controls are working effectively and efficiently. Internal Audit Division also assisted management in improving performance hence helped the Ministry to accomplish its objectives by using systematic discipline approach to evaluate and improve risk management, control and governance process.

**Table 19: Internal Audit Division's Outputs against Key Performance**

**Indicators (KPIs)**

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1 – Better Internal Auditing of MOF and follow up of management responses</b>				
Numbers of audit report submission to Internal Audit Committee	% of risk areas from updated risk matrix reported to internal audit committee within a year	0% - no audit committee meeting	-Time for Internal Audit (IA) Committee highly depend on the availability of the Hon. Minister -Not timely produce of report to be submitted to Hon. Minister	-Strengthen co-ordination with Internal Audit committee. -Better manage audit process to facilitate produce of report in a more effective and efficient way for Hon. Minister and Internal Audit Committee.
Report on follow-up of recommendation implementation	% of accepted Internal Audit recommendations implemented by the Ministry within required timeline	60%	- Implementations highly depend on management. -Weak follow up of implementation status	Timely follow up implementation status and report to Minister and audit committee -Strengthen coordination with management on implementation of recommendations
Risk Assessment	Risk Matrix updated yearly	1 – (Risk Matrix update after every audit)	-Few staff within the division. -Lack of training available to new staff especially with training on risk.	Annually conduct risk assessment of all areas in the ministry.
Planned Assignments	% of risk areas from IA annual plan audited by the agreed date	67% (6 actuals out of 9 plan)	-few staff -most of the staff are new to internal audit activities -limited budget available for training -limited information for audit purposes -staff simultaneously take leave days cause huge delay	-recruit new staff -conduct in-house training and further engage staff in regional and international professional development -increase budget for training and professional development -strengthen the co-ordination with management team to

			in audit field work.	better facilitate work of Internal Audit.
Special Requests	Ratio/% of special audits (Ad-hoc audits) requested by Audit committee, Minister or CEO completed with the agreed date.	400%	-few staff in the division to gather both special requests and planned assignments -Most of the staff are new to internal audit activities -staff simultaneously take leave days cause huge delay	-recruit new staff -conduct in-house training and further engage staff in regional -increase budget for training -increase awareness of Internal Audit Charter that prohibit staff from restriction internal auditors' access to information.
Staff Development	Ratio of in-house training. Ratio of workshop. Format training attend by IA staff in a year.	100% - PFTAC – Risk training for all IAD staff	-Weekly in-house training for IA just started this year 2018 -Management fail to search and request for formal training for IA	-Strengthen conducting in-house training. -IA Deputy to inform management team to include IA staff in any of their formal trainings. IA staff to be trained on the operation
Quality Assurance	Ratio of customer survey conducted in a year. Ratio of working paper review in a year	1/10 – 5 survey out of 10 audits) 10/10 – all working papers were reviewed	-Internal Audit survey implement in February 2019 -Tight timeline for audit	-strengthen customer survey -strengthen review of auditor's working papers -improve audit plan to allow more time for working papers review.
Effectiveness of Process Management	Annual update of audit manual and audit guide	1 – update Chart Feb 2019	-few staff in division to finalise audit manual	-finalised audit manual as soon as possible -annual update of audit manual and audit guide
<b>Output 2- Better secretariat support to cabinet audit oversight Committee (CAOC)</b>				
Report Submission to CAOC	Ratio of special reports requested by the committee completed within the agreed date	0 - No CAOC meeting	political instability affects the meeting time for this committee. -Time for the meeting highly	change in government should also consider re-appointment of this committee. -recruit new staff -conduct in-house training and further

			depend on the Ministers -few staff in the division to gather for all planned, ad-hoc assignments and also consolidate reports for CAOC	engage staff in regional and international professional development -increase training's budget
--	--	--	---	--

## DIVISION 4: CORPORATE SERVICES

### **Mandate**

The CSD Division covered all the standard administrative functions for a ministry: financial management, human resource management, asset management, records and files management, vehicle logistics and property management.

***Table 20: Corporate Services Division's Outputs against Key Performance Indicators (KPIs)***

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1 - Better Planning, HR Management, Communications, and Performance M&amp;E by the Ministry</b>				
Human Resource Management.	80% of JDs clearly linked to CP/AMP	80%	-Still a number of JDs need to be updated, to achieve 100% -Delay in recruitment to fill resultant vacancies -Supervisors need to provide training	-Schedule Review of all JDs for the new financial year -Schedule Training on drafting JDs -Ensure recruitment of vacant HR positions
	Average Attendance across the Ministry each month	80%	Not complying to Annual Leave Plan	Ensure receive Annual Leave Plan from Divisions and for staff to take leave accordingly.
	Percentage (%) of Quarterly vacancies filled	Above 80%	Shortage of Staff in HR section	Schedule Processing of Recruitment of HR Section
	Ratio of Quarterly PMS Reports submitted on time	3/4	Shortage of staff	Recruit more staff

	Percentage of Staff (in post for whole year) who have been assessed under the PMS (every 6 months)	98%	-Staff fully accepting the PMS and the mandate for it -Staff understanding the process and requirements of the PMS -Timing for completion of PMS forms	-Provide more Training on PMS -Provide sufficient timeline for completion of this exercise
Corporate Planning, AMP, Annual Report.	Number of Days before due dates delivered MOF Corporate Planning to CEO	0	Shortage of Staff	-Schedule recruitment of vacant position -Schedule preparation time to submit before deadline
	Number of days before due date ministry Annual Report submitted to CEO	Still Outstanding	-Shortage of Staff	-Schedule recruitment of vacant position -Schedule preparation time to meet deadline
Better MOF Finance, Procurement, Assets Management and Recording.	Number of days before key dates delivered MOF budget and financial plans to CEO	0	-Shortage of Staff -Staff Training -Most of the high-level financial reporting work is carried out by the Supervisor	-Process recruitment of staff -Schedule required training.
	Number of months the MOF budget is within +/-5 of the initial forecast based on approved budget	12	n/a	-to provide monthly financial report and forecast.
Better Logistic and Support Services for MOF	Number of non-operational vehicle days	<24	n/a	Maintain quarterly maintenance of vehicle fleet
Better Managed and Maintained ST George Government Building (SGGB)	Ratio of fortnightly security reports checked and confirmed as accurate	12	-Shortage of Staff -Staff training	-Process recruitment of staff -schedule required training.

## DIVISION 5: INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION

### Mandate

To fully utilise access and usage of information and communication technology infrastructure and services through implementing a well-designed ICT system. Further, that the ICT system promotes the organisation's mission by providing timely information from a reliable, secure and accessible systems to MDAs and Government stakeholders.

**Table 21: Information and Communication Technology (ICT) Division's Outputs against Key Performance Indicators (KPIs)**

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1- That the information and communication systems provided are reliable and support the efficiency and effectiveness of MDAs and Government Stakeholders</b>				
Downtime and Uptime of ICT services in power outage	Hours of Downtime and uptime of ICT services	½	n/a	n/a
Upgrade FMIS and D/epm	% of completion	80%	Budget forecast not done	Aids module still in progress to complete
Migrate phone system PABX to E-gov	% of completion	100%	Still have issues to be done like international call and others	Issues to be fix
Supporting	% of number of requested supports completed per day	80%	Limited of staff	Need to recruit 2 new recruits. Will helps to increase this percentage
Development of Procurement Database and publish the procurement KPI on the Website	% of completion	80%	Maintenance for procurement process are not meeting their expectation	Maintenance still need to be done to meet the procurement process
<b>Output 2- That information available from MOF facilitates the appropriate use of financial information in decision-making by MDAs and Government Stakeholders.</b>				
Migrate Domains and Internet to E-Gov	% of completion	100%		completed
Include outer islands connection to sun system	% of completion	50%	Delay start 10/20	

Retirement access to Micro Pay	% of completion	100%	Delay	Request from RFB to do 19/20
Development VMS system to advice MDA of vouchers Status	% of completion	80%	Treasury request not achieved	Enhancement still need to be done to meet Treasury request.

### ***3.2.2 Program 2: TREASURY OPERATIONS***

Program 2 covers core treasury and procurement functions, establishing of appropriate financial policy and frameworks and debt and asset management.

These are managed through three divisions which are Treasury, Financial Framework, and Procurement.

#### **DIVISION 1: TREASURY DIVISION**

##### **Mandate**

Treasury is mandated with only two main Outputs:

1. Better managed division, with good working relations, meeting deadlines for the delivery of their outputs to an acceptable standard;
2. Better financial management system and public accounts.

***Table 22: Treasury Division's Outputs against Key Performance Indicators (KPIs)***

<b>Sub-Outputs</b>	<b>KPI</b>	<b>Achievement</b>	<b>Performance Gap</b>	<b>Way Forward</b>
<b>Output 1- That the public financial management system is efficient and effective managed to facilitate timely payments; quality/accurate financial recording and reporting; and better financial management services to all stakeholders</b>				
Checking	% of approved expenditure vouchers (excluding payroll) processed within 3 days (meeting conditions)	90%	The lesser percentages queried are mainly due to non-compliance to policies and regulations and TI; incomplete documentation, inaccuracy etc.	By finalizing revised TI will greatly assist us, as well as the new CoA. We plan to run more trainings to suppliers and MDAs in the new financial year.
Revenue & Voting	Number of monthly revenue reconciliations, with all relevant MDAs, completed within 2 weeks of close of the month	5	No response from 11 Ministries to carry out their monthly revenue reconciliations	To issue strict deadlines for feedback on monthly reports so reconciliations is carried out regularly.

Payroll	Number of Monthly Payroll Reconciliations, conducted with MDAs	12	This was always included in the plan; incomplete payroll records kept by MDAs; no proper checking is carried out before certifying & authorizing payroll vouchers by MDAs.	All MDAs should be mandated to keep these related records and they should be checked regularly to ensure these are updated regularly, decentralization of payroll processing.
	Number of compliances, accurate and timely payroll vouchers processed, approved and paid.	150	Delay may happen due to same explanation as in comments the previous KPI	Recommending to change wording of this KPI to Number of payroll vouchers processed, approved and paid
Development	% of completed monthly vote reconciliation as submitted from active cash projects.	Below 70%	Niua's always late due to the uncertainty of flights time, even if send electronically, internet connection not Good. Non-Achievement of this KPI was more like beyond our control.	Maybe GOT should review current arrangement with TDB carrying out Treasury functions at the Niua's.
Sub-Treasuries	Number of financial returns submitted from the Sub-Treasuries and TDB within 2 weeks	78	Niua's always late due to the uncertainty of flights time, even if send electronically, internet connection not good. Non-achievement of this KPI was more like beyond our control	Maybe GOT should review current arrangement with TDB carrying out Treasury functions at the Niua's.
Accounts	Number of months ending with aggregate cash balances of at least 1-month cover of payments	12	Lots of improvement is still needed and skills needed to be improved, especially in Cash Management	There is still need to improve this area in Cash Management, especially in dealing with more strategic cash management
	% of bank accounts reconciled within 4 weeks of month end.	70%	Delays were basically due to capacity as there were other new tasks given to both Development and Accounts team, especially on managing TC Gita Payments.	Need to stock take all bank accounts and recommend to Minister to close all the inactive accounts
	Number of Treasury related External Audit queries on last audited annual financial statements	30	Some issues that were already raised in the previous years but were never addressed	Need more time and internal training for team to take ownership in how to strategically address these issues with no supervisions

## *Division 2: Financial Framework Division*

### Mandate

The division is tasked with encouraging the mechanisms of the Public Financial Management (PFM) through development of Financial Framework Policies, guidance and instructions, enhancing strategic allocation of scarce financial resources across the government. The

division is also responsible for Debt and Asset Management (DAM) and improving the efficiency of service delivery.

**Table 23: Financial Framework Division's Outputs against Key Performance Indicators (KPIs)**

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1- Updated Debt and Asset Management Reports are being used by the stakeholders to make informed decision</b>				
Debt Management Reporting	Medium Term Debt Strategy revised and published on MOF's website on 3 <sup>rd</sup> quarter of the financial year.	Delay	Delay due to capacity of division when responsible officer took up an attachment at the World Bank, Washington DC under its Debt Manger's Program	A presentation had been already prepared to present to management and to get their support. Once the strategy is finalised, it will be published on our website.
	Number of Quarterly Debt Status Report completed within the following month	Still in progress	Quarterly debt status reports are currently in draft format for all Quarters 1,2 and 3 then the Annual DSR is due by end of August 2019.	The quarterly DSRs needs management review before putting up on website
Asset Management Reporting	An Asset Management Framework (AMF) Developed	Still in progress	A draft Asset Management Framework to guide the work in this area has been developed with the assistance of PFTAC.	It is still in draft format and need management approval before cabinet submission for actual use by MDAs
	Number of MDAs with Updated Asset Register (AR)	29 MDAs complied with Finance's request for updated Ars.	Flexible of the AR template	Change the focus into furniture, fixtures and office equipment plus vehicles therefore there is a need to revamp the AR template to include lands and big plants and machineries.
<b>Output 2- Public Financial Management reform is strengthened for better service delivery through updated policy guidance and instructions.</b>				
PFM Implementation	PFM Roadmap Implementation Tracker revised and followed up	Still in progress	The reform takes time and have implementation risks if adequate time and planning are not given	Technical working groups needs to sit down and discussed the implementation tracker to be implemented
	Number of PFM steering Committee held	Only 2 major meetings	Most of the PFM steering Committee meetings for the financial year did not take place	Need more meeting to discuss about the PFM
	Number of PFM technical Committee held	1 meeting	Only two office were present. (Finance and Audit office)	Need more meeting
Policy Review	PFMA Treasury Instruction to be revised by end of the financial year.	Still in progress	Treasury Instruction review has shifted due date and is aimed to be done by end of December	Need to share with relevant stakeholders once Finance completes the review.
Financial Management	Economic Segment of the Chart of	Still in progress	Various missions have been engaged and the last PFTAC	Training on the new codes is to be conducted

System Upgrade	Account revised by end of the FY		mission identified that the focus should be on the Economic Segment of the Chart of Accounts.	in July 2019. And more will be rolled out throughout the year to both individual MDAs and outer islands.
----------------	----------------------------------	--	---	--

### DIVISION 3: PROCUREMENT

#### **Mandate**

The Procurement Division is responsible as mandated under Public Procurement Regulations (PPR) 2015 for the administration and the implementation of the PPR 2015.

#### ***Table 24: Procurement Division's Outputs against Key Performance***

#### ***Indicators (KPIs)***

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1- Efficient and Effective Government procurement rules and procedures</b>				
Policy Review	Ratio of MDAs using the framework contract	18/27	AA retailer and Prema. Current contract expires in September	Need to extend contracts.
Capacity Development and Awareness	Number of suppliers group provided awareness training	2	n/a	1 forum with suppliers in March, 1 forum with suppliers in Hp in May.
	Number of MDAs training and meetings	2/27/3	n/a	2 MDAs forum, and 27 MDAs 1-2-1, island 1-2-1
Internal Review	Percentage of procurement plan processed	33%	231 of 697 and reflect very poor planning by MDAs	Need more training to line Ministries procurement processes
GPC Matters	Number of GPC meetings/circulation	7/53	n/a	Need more regulations revision on cases
Complaint Management	Number of complaints processed	6	n/a	Resolved
<b>Output 2- Efficient and Effective Government procurement services</b>				
Procurement Planning	Number of APP submitted on time	17	Need more improvement	To work with MDAs towards an improvement
	% of recurrent cost procured against total budget	48%	n/a	n/a
Market Research	Number of financially competent new bidder approached and added to supplier base	12	Market is very small	Add new once a new company bid
	Number of prequalified bidders' group	1	For new vehicle only as per market knowledge and the fact that they are the sole representative of the different brands in country	We are now excluding construction companies since there was no basis for qualification set and

				therefore did not meet this group.
Procurement Proceedings	% of procurement requests that meet full compliance	70%	n/a	n/a
	% of contracts using competitive methods	37%	n/a	n/a
File Management	Number of GPC files reviewed	53	n/a	GPC files circulated
Customer Management	Number of meeting (MDA) per procurement	Less than 5	Depends on complexity of the proceedings	Need to use of emails and phone calls to confirm information.
Treasury	Number of Quarterly Summaries of Receipts & Payments sent within a month of close of the quarter to Audit	0	We were struggling with the reconciliations, by the time the report was due, lot of outstanding were still not yet addressed and here comes the next deadline still not yet completed	Treasury will further discuss issues with TOAG and address in the new financial year.
	Number of months after the close of the year last Financial Statements sent to Audit	6	This was met as the Financial Statements for 2017-18 was submitted to the TOAG on the 20 <sup>th</sup> of Dec, 2018	With Capacity, I strongly believe we can improve this KPI. Team really need IPSAS training
	Turn-around time for addressing Treasury Queries/enquiries.	Within 3 days	At most within 3 days, however some queries are up to 2 weeks, depending on the nature of the queries.	Need improvement in this area. Plan to have a register for all queries, depending on its nature and be very clear who will be responsible to address each.

### ***3.2.3 Program 3: BUDGET, ECONOMIC AND AID***

The Cabinet and Legislative Assembly are the two most important stakeholders to benefit from the functions and responsibilities of this Program. Their work also significantly contributes to all MDAs, private businesses, communities and the public as a whole. The International partners are a significant stakeholder in this Program.

The three (3) divisions under this Program are: Budget and Corporate Planning, Economic and Fiscal Policy and Project and Aid Management.

## DIVISION 1 – BUDGET AND CORPORATE PLANNING DIVISION

### Mandate

The Division is responsible for producing one of the main outputs of the MOF, which is the Government Budget Estimate as mandated under the Public Finance Management Act.

**Table 25: Budget and Corporate Planning Division’s Outputs against Key Performance Indicators (KPIs)**

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
Output 1- That the support system for Budgeting is well in place to facilitate evidence-based policy decision in Government.				
Production of the Budget Estimates	Timely submission of Budget Estimates document to Parliament for proper scrutiny and approval	Completed	n/a	n/a
	Improve policy-based budgeting through increasing the percentage of MDA budget submissions alignment to corporate plans	100%	80% of MDAs budget submissions are in alignment with respective corporate plans	Need more training about budget processing with the 20% of MDAs
Contribution to the Budget Strategy and Budget Statement	% of budget policies proposed for the Budget Strategy that are within the macro-economic framework and reflective of the GPA	80%	n/a	Completed
	Quality and time production of the budgetary narratives for the Budget Statement. Use of latest available data with clear analysis.	Quality & timely achieved	n/a	n/a
Budget Monitoring, Evaluation (M&E) and Reporting	Increase budget creditability through reduced percentage (%) of budget transfers that are related to normal budgetary operations	80%	n/a	n/a
	Increase % of timely and quality monthly cash-flow forecasts submitted to Budget	80%	There is still a late in line ministries’ submission	There is still a need to strengthen the MDAs compliance with timely cashflow submissions
	% of budget policies issued to address budget issues identified from budget performance reports	80%	n/a	n/a

	Timely and Quality submission of End of Year Review report to management for decision making within the first half of the next FY.	Quality & Timely Achieved	n/a	Mid-Year Review report due on the 31 <sup>st</sup> January 2019 in time for the preparation of the Budget Strategy
	Timely and quality submission Mid-Year Review report to management towards informing the Budget Strategy according to the budget timeline	Quality & Timely achieved	n/a	Mid-Year review report due on the 31 <sup>st</sup> January 2019 in time for the preparation of the Budget Strategy.

## **DIVISION 2: ECONOMIC AND FISCAL POLICY DIVISION**

### Mandate

The Division is responsible for the explanatory documents, the Budget Statement, explaining the Government Budget Estimates as mandated in the Public Finance Management Act.

The Division is also responsible for providing policy analysis and advice to the Minister and CEO on the status of the economy. They also provide support to identify issues for policy development for the Budget Strategy, formulate and review effectiveness of government policy and any other economic issues that the Minister and CEO request.

***Table 26: Economic and Fiscal Policy Division's Outputs against Key Performance Indicators (KPIs)***

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1- That the macro, micro-economics and fiscal policy analysis and advice system provides all stakeholders with the information required to improve evidence-based decision-making regarding sustainable economic growth and social development.</b>				
Sound Macroeconomic and Fiscal Policy Framework	Timely completion of a sound GDP forecasting round. Number of rounds per annum	2	n/a	Timely completed
	% of indicators – Economic database and Macroeconomic Framework – updated	80%	The delay in updating of such data were mainly due to delay of provision of data from their own sourced as some are yet to finalized	Needs for sourced of data to finalized.
	Number of evidence-based policy analysis-macro-micro and fiscal-provided. % of policy working paper provided per annum	4	n/a	Completed
Budget Strategy	Timely provision of a sound overview of Macroeconomic framework for the budget	3	Achieved	n/a

	strategy as per approved Budget timeline. Number. Number of days prior due date.			
	Timely completion of a sensitivity analysis on the Fiscal side of proposed funding of any new addition to the existing Government Priority Agenda (GPA) (number of days prior due date)	5	n/a	Completed through verbal discussions in series of meetings, approval of GPA for the Budget Strategy 2019/20
	Timely submission of the Budget Strategy to Cabinet as per approved Budget timeline (number of days prior due date)	0	n/a	Completed – joint effort with the relevant divisions to complete and submit the Budget Strategy on 17 <sup>th</sup> Feb 2019 (through initially scheduled for the 6 Feb)
	% of proposed macro-fiscal policy approved for the budget strategy	80%	Due to timing constraint was not able to obtain the budget raw data to be able to have the macro framework and GFS in the Budget Strategy	Authorities need to do something about this with Budget team attitude
Budget Statement	Timely provision of a sound overview of Macroeconomic Framework for the Budget Statement as per approved budget timeline (number of days prior due date)	10	n/a	Completed
	Timely completion of translation of the Budget Statement as per approved budget timeline (number of days prior due date)	0	n/a	Completed
	Timely submission of Final Budget Statement to Cabinet and LA as per approved budget timeline (number of days prior due date)	0	n/a	BS goes to LA on 30 <sup>th</sup> of April 2019 which aligned with approved budget timeline
Policy advice and reporting	Ratio of completed and published on ministry's website of the monthly, quarterly, half-yearly economic update (ratio of eco, update, by due date completed and published)	11/11	n/a	Completed
Policy Analysis and review	Number of new macro-fiscal policy reviewed	4	3 complete, 2 still drafting	n/a
	Number of micro-fiscal policy analysis conducted	4	2 still draft	n/a

## DIVISION 3: PROJECT AND AID MANAGEMENT DIVISION

### Mandate

The division is responsible for the coordination of all development aid projects both cash and in-kind. Further, the Division is also tasked with the Aid Policy 2010 to ensure:

- 1) That the international development aid effectiveness to Tonga is managed according to clear measures of sustainability in line with the TSDFII and all other international agreements;
- 2) That a clear project management cycle is developed, executed, monitored, and evaluated for the whole government;
- 3) Provide strategic advice to aid management to Government and Development Partners and delivering quality services to all stakeholders.

***Table 27: Project and Aid Management Division's Outputs against Key Performance Indicators (KPIs)***

Sub-Outputs	KPI	Achievement	Performance Gap	Way Forward
<b>Output 1- Better designed development aid effectiveness policies to guide the formulation of budget and corporate plans for achieving government priorities.</b>				
Review of the Development Aid Policies	Review every 2 years (desired=1)	Outstanding	30% done due to shortage of capacity	There is need for extra assistance from TA.
Production of the Development Budget Estimates	Meet Budget Deadlines	25	n/a	Completed
Production of the Development Budget Narratives to Budget Strategy and Budget statement reports	Meet Budget deadlines (desire = accurate and reliable information)	Completed	n/a	Achieved through much coordination with MDAs, Law, Parliament
Development Budget Monitoring and Evaluation	Number of monthly CEDCC	12	n/a	12 CDCCs were held
	Number of quarterly Project Steering Committee Meetings by Sector	10	n/a	n/a
	At least one bilateral/multilateral meeting with per donor each year	8	n/a	n/a
	At least 1 donor forum per year	1	n/a	Completed
	At least 5 project missions and 2 fact finding mission a month	180	Completed	Missions were still coming through

	Regular meetings with CSU, EU, Climate change PMUs to minimize delays	20	n/a	Completed
	Monthly Report on Economic and social recovery cluster meetings	12	n/a	Attended the NERC meetings on behalf of finance and attended to report on ERC progress and also the financial statements provided from Treasury, and proud
	Quarterly regional island committees	10	n/a	Attend the regional development meetings
<b>Output 2- Better information management system to formulate, appraise, approve and monitor projects.</b>				
Implementation of the Aid Information Management Systems (AIMS)	Standard Operation Procedures (desired 1 per month reviewed)	3	Only 3 standard Operations Procedures (SOPs) were identified	Need to work on other SOPs
Implementation of the Aid Information Management Systems (AIMS)	Standard Operation Procedures (desired 1 per month reviewed)	3	Only 3 standard Operations Procedures (SOPs) were identified	Need to work on other SOPs
	AIMS data entry regularly (desired=12)	2	We are aiming for the IFMIS module to do the job, but it is still in design phase with INFO as it is not meeting the expectation of the AIMS	Project Profiles are still been updated by the Desktop officers
	Monthly reports to CEO/Minister (desired = 12, due end of month)	2	n/a	n/a
	Budget end of year review reports (desired =1)	Partially completed	Pending to finalize the budget end of year review report	n/a
	Annual report (FY) desired = 1	1	Report of 2017/18 was submitted	n/a
Staff Professional Development	Weekly HODs meeting (desire=52 times)	80%	n/a	Attended the HOD meetings
	Weekly Divisional meeting (desire =52 times)	60%	30% meetings were not conducted	Need to conducted the Divisional meetings
	Update Annual Management Plan	1	n/a	Revisions to AMP was submitted
	Update Individual Management Plan (desired – 1)	1	Working files for Minister was a new task for staff to follow and to submit also	Needs for Individual Management plan

	Update Job Description (desired=1)	1	Shortage of staff	Senior Economist JDs were drafted and were submitted to consider for crucial positions
	Staff Performance review quarterly	2	n/a	Completed
	Divisional Structure reviewed annually	1	Shortage of staff	To add 2 senior economist posts for career path development
	At least a quarterly recreational activity	4	n/a	This was able to be conducted also using a Mentor-Buddy approach to build good team work spirits

## 4. FINANCIAL MANAGEMENT

### *4.1 Statement of Responsibilities*

The Accounting System of the Government of Tonga is centralised at the Ministry of Finance. Therefore, annual financial reporting for government as a whole is the responsibility of the Ministry in accordance with the reporting requirements under Part VI of the Public Finance Management Act, and guided by the International Public Sector Accounting Standards (IPSAS-cash basis). However, due to the requirement of Section 33 of the Public Audit Act, the Tonga Office of the Auditor General (TOAG) believes that all MDAs should prepare their own annual financial statements as part of their annual reports.

For the purpose of the Ministry of Finance's own financial statements, the CEO for Finance including Deputy CEOs and relevant staff are responsible for the prudent management of the financial affairs of the Ministry in close working partnership with the Ministry's Budget division in the preparation of the budget documents, monthly forecasts and acquittals.

This annual report's financial statements and notes to financial statements' figures are based on Audited Public Account FY2018 – 2019.

**MINISTRY OF FINANCE**  
Statement of Cash Receipts and Payments  
For the year ended 30<sup>th</sup> June, 2019.

**4.2 Statement of Cash Receipts and Payments**

	<b>2019 (TOP)</b>	<b>2018 (TOP)</b>
<b>RECEIPTS</b>		
<i>MOF Receipts</i>	28,100,704	27,320,570
<i>Budget Support</i>	34,906,637	14,368,625
<i>Development Fund Receipts</i>	72,026,347	38,779,985
<b>TOTAL RECEIPTS</b>	<b>135,033,688</b>	<b>80,469,180</b>
<b>OPERATING PAYMENTS</b>		
<i>Established Staff</i>	5,219,933	5,042,136
<i>Unestablished Staff</i>	180,897	65,631
<i>Travel, Communication</i>	465,611	446,749
<i>Maintenance, Operations</i>	248,084	238,202
<i>Purchase Goods Services</i>	4,310,365	2,777,593
<i>Grants and Transfer</i>	18,310,379	16,503,280
<i>Development Duties Expenses</i>	1,269,723	2,940,815
<i>Debt Management</i>	36,583,465	27,788,410
<i>Contingency Disbursed</i>	-	-
<i>Pension &amp; Gratuities Expenses</i>	4,350,619	4,700,144
<i>Assets</i>	1,389,584	791,116
<i>Equity Payments</i>	-	269,092
<b>TOTAL OPERATING PAYMENTS</b>	<b>72,328,660</b>	<b>61,563,167</b>
<b>DEVELOPMENT PAYMENTS</b>		
<i>Unestablished Staff</i>	157,814	
<i>Travel, Communication</i>	54,293	18,148
<i>Maintenance, Operations</i>	1,501,424	1,187
<i>Purchase Goods Services</i>	2,284,247	168,762
<i>Grants and Transfer</i>	3,309,906	
<i>Assets</i>	1,567,268	49,306
<i>Equity Payments</i>	1,000,000	-
<b>TOTAL DEVELOPMENT PAYMENT</b>	<b>9,874,952</b>	<b>237,403</b>
<b>TOTAL PAYMENT</b>	<b>82,203,612</b>	<b>61,800,570</b>

**MINISTRY OF FINANCE**  
Statement of Comparison of Budget and Actual Amount  
For the year ended 30<sup>th</sup> June, 2019

**4.3 Statement of Comparison of Budget and Actual Amount**

	<u>Original Budget</u>	<u>Actuals Amount</u>
<b>Recurrent Payments</b>		
<i>Established Staff</i>	8,110,500	5,219,933
<i>Unestablished Staff</i>	172,000	180,897
<i>Travel, Communication</i>	568,700	465,611
<i>Maintenance, Operations</i>	395,800	248,084
<i>Purchase Goods Services</i>	3,459,700	4,310,365
<i>Operation Grants and Transfer</i>	39,019,000	18,310,379
<i>Development Duties Expenses</i>	3,042,900	1,269,723
<i>Debt Management</i>	42,075,200	36,583,465
<i>Contingency Disbursed</i>	1,000,000	-
<i>Pension &amp; Gratuities Expenses</i>	5,500,000	4,350,619
<i>Equity Payments</i>	400,000	-
<i>Assets</i>	1,302,100	1,389,584
<b>TOTAL RECURRENT PAYMENTS</b>	<b>\$105,045,900</b>	<b>\$72,328,660</b>
<b>Development Payments</b>		
<i>Unestablished Staff</i>		157,814
<i>Travel, Communication</i>	19,200	54,293
<i>Maintenance, Operations</i>	1,371,000	1,501,424
<i>Purchase Goods Services</i>	5,718,700	2,284,247
<i>Grants and Transfer</i>	2,460,900	3,309,906
<i>Equity Payments</i>	1,100	
<i>Assets</i>	63,265,100	1,567,268
<b>TOTAL DEVELOPMENT PAYMENTS</b>	<b>\$72,836,000</b>	<b>\$9,874,952</b>
<b>TOTAL PAYMENTS</b>	<b><u>\$177,881,900</u></b>	<b><u>\$82,203,612</u></b>

## **4.4 Notes to Financial Statement**

### **4.4.1 Accounting Policy**

**a) Basis of Preparation**

These financial reports have been prepared in accordance with Cash Basis IPSAS. The accounting policies have been applied consistently throughout the period. This means that as a general accounting principle in financial reporting, transactions are recognised when cash is received or paid other than the exception noted in the Accounting Policies such as assets acquired from previous years.

The accounting policies have been applied consistently throughout the period.

**b) Reporting Entity**

The Government of Tonga financial statements, and reports are centralised in the Ministry of Finance. This comprises the central Government ministries, departments, and agencies are directly funded through the annual Appropriation Bill Act but excludes the public enterprises under the control of the Government

The Deputy CEO for Corporate Services Division and relevant staff prepared the Ministry of Finance financial statements report for the annual report FY2018-19.

**c) Reporting Currency**

The reporting currency is Tongan Pa'anga

### **4.4.2 Budget Appropriations**

Budget appropriations for MDAs are managed through a central account administered by the Ministry of Finance. Amounts appropriated to the Ministry are for Operation expenses, Government General Fund expenses, and for Debt Management expenses. These amounts are controlled and monitored by the Corporate Services Division of the Ministry.

**MINISTRY OF FINANCE**  
Notes to the Financial Statement  
For the year ended 30<sup>th</sup> June, 2019

---

**4.4.3 MOF Budget Support Details**

**Budget Support FY2017/18**

<b>Donor Name</b>	<b>Receipts</b>
<b>Australia Fund</b>	\$6,746,500
<b>New Zealand Fund</b>	\$2,916,980
<b>European Union</b>	\$4,705,144
<b>Total Budget Support</b>	<b>\$14,368,625</b>

**Budget Support FY2018/19**

<b>Donor Name</b>	<b>Receipts</b>
<b>Australia (DFAT)</b>	\$6,325,111
<b>European Union</b>	-
<b>World Bank (WB) Grant</b>	\$12,566,358
<b>Asian Development Bank (ADB)</b>	\$11,436,414
<b>Pacific Islands Forum Secretariat (PIFS)</b>	\$4,578,755
<b>Total Budget Support</b>	<b>\$34,906,637</b>

**MINISTRY OF FINANCE**  
Notes to the Financial Statement  
For the year ended 30<sup>th</sup> June, 2019

**4.4.4 MOF Recurrent Payments**

Budget (\$)	2018/2019 Original Budget	% for 2018/2019 Original Budget	Actual Expenditure  Spent	% Actual Expenditure  Spent	% of Performance of Actual/Budget
<b>Recurrent Payments</b>	<b>\$105,045,900</b>	<b>59%</b>	<b>\$72,328,660</b>	<b>88%</b>	<b>69%</b>
Established Staff	8,110,500	8%	5,219,933	7.2%	64%
Unestablished Staff	172,000	0.2%	180,897	0.3%	105%
Travel, Communication	568,700	0.5%	465,611	0.6%	82%
Maintenance, Operations	395,800	0.4%	248,084	0.3%	62%
Purchase Goods \$ Services	3,459,700	3.4%	4,310,365	6%	125%
Operation Grants and Transfer	39,019,000	37%	18,310,379	25%	47%
Development Duties Expenses	3,042,900	2.9%	1,269,723	1.8%	42%
Debt Management	42,075,200	40%	36,583,465	51%	87%
Contingency fund	1,000,000	1%	-	-	-
Pension & Gratuities	5,500,000	5%	4,350,619	6%	79%
Equity Payments	400,000	0.4%			
Assets	1,302,100	1.2%	1,389,584	1.9%	107%
<b>Development Expenditure</b>	<b>\$72,836,000</b>	<b>41%</b>	<b>\$9,874,952</b>	<b>12% (14%)</b>	
Unestablished Staff	-	-	157,814	1.6%	-
Travel, Communication	19,200	0.03%	54,293	0.6%	283%
Maintenance, Operations	1,371,000	1.9%	1,501,424	15%	110%
Purchase Goods Services	5,718,700	7.9%	2,284,248	23%	40%
Grants and Transfer	2,460,900	3.4%	3,309,906	33.5%	134%
Equity Payments	1,100	0.002%	-	-	-
Assets	63,265,100	86.9%	1,567,268	15.9%	2%

**MINISTRY OF FINANCE**  
Notes to the Financial Statement  
For the year ended 30<sup>th</sup> June, 2019

**4.4.5 Property, Plant & Equipment**

Limitation of the following Fixed Asset Register (FAR) Summary are as followed;

- Old Fixed Assets were revalued based on estimation.
- All asset expenditures obtained from Donors (including in-kind donors) should be treated separately according to its accounting nature.
- Street lights (under the GGF) had not yet been valued. It is not included in the FAR.
- St George Government Building managed by MOF had not been included in the FAR.

The following is the summary of the Asset Register which is sent to the Ministry's division of Financial Framework at the end of each Financial Year.

Fixed Asset Registry Items	2017/2018 FY Cost	2018/2019 FY Cost	Notes
<b>Building and Infrastructure</b>	\$29,892,022	\$29,932,034	Building is appreciated in considerable amount by \$40,012 resulting from renovations to outer island offices (Vava'u, Ha'api & Eua).
<b>Vehicles</b>	\$664,243	\$1,619,683	Increase by 44% due to procurement of new vehicles for projects and other ministries funded under the GGF.
<b>Computer software</b>	-	-	Not yet renewed.
<b>Computer hardware</b>	\$704,713	\$906,703	This is a result of increased staffing and the related cost of acquisition of computers required together with the ICT infrastructure upgrade. Acquisition of Office equipment and furniture & fittings. Above expenses involved the ministry operation, Government Fund expenditures and also Development program expenditures which all monitored by the MOF. (Computer – increased by 29%, Equipment – increased by 141%, Furniture – increased by 198%.
<b>Other Plant and Equipment (printers, scanners, office equipment)</b>	\$42,517	\$102,517	
<b>Furniture and Fittings (desk, shelves)</b>	\$482,500	\$1,437,940	
<b>Total Cost</b>	<b>\$31,785,995</b>	<b>\$33,998,877</b>	<b>Increase by 4%</b>

## 5. CONCLUSION

This Annual Report attempts to follow the Guideline from the Office of the Public Service Commission on the Structure of Annual Reporting.

The Ministry had successfully completed another challenging year in delivering its service to the MDAs and its stakeholders. The major Outputs of the Ministry were completed, and significant progress made on the various reform programs. These programmes are carried forward to the next financial year. The main work going forward to the next financial year includes the following:

- Improved management, monitoring, evaluation and communication;
- Upgraded integrated Financial Management Information System (IFMIS);
- Improved compliance and enforcement;
- Improved Corporate Planning, Budgeting, Economic Analysis and Forecast;
- Expedite recruitment of vacant positions.

The Ministry looks forward to the new year with anticipation for another successful year of serving the Kingdom and its people.