



Fiji

**PUBLIC EXPENDITURE AND FINANCIAL
ACCOUNTABILITY (PEFA) PERFORMANCE
ASSESSMENT REPORT (2024)**

Final Report

(May 2025)

PEFA Check endorsement.



Fiji

**Public Expenditure and Financial Accountability (PEFA)
Assessment**

May 2025

The PEFA Secretariat confirms that this report meets the PEFA quality assurance requirements and is hereby awarded the '**PEFA CHECK**'.

PEFA Secretariat

May 2, 2025

Assessment management and quality assurance

Oversight and management

The Fiji Government through the Ministry of Finance, Strategic Planning, National Planning and Development (MoF) requested PFTAC to undertake an *AgilePEFA* assessment to determine current levels of Public Financial Management (PFM) performance, strengths, and weaknesses, and to inform the development of an updated Public Financial Management Improvement Plan (PFMIP). Fiji previously undertook a PEFA assessment (also with PFTAC support) with the field work undertaken in September 2019 and PEFA check granted in February 2020. Following the 2019 PEFA, MoF embarked on a broad range of PFM reforms under the initial PFMIP, through which a number of improvements have been realized. The updated PFMIP following this current PEFA assessment will refocus efforts based on the updated status and the Government's priorities.

This assessment is a joint effort between the MoF Oversight Team and the PFTAC Assessment Team, with PFTAC leading the assessment and the Oversight Team facilitating and participating in all meetings. The Oversight Team was Chaired by Mr. Shiri Gounder, Permanent Secretary for Finance, and field work was led and facilitated by Mr. Atin Chand, Head of Treasury, and Mrs. Asenaca Mae, Manager Financial Policy and Assurance Unit, who participated in all meetings. The full list of the Oversight Team members is contained in Annex 1.

Meetings were held with a large number of stakeholder departments and agencies covering all indicators and dimensions (Annex 4 lists the agencies with which the assessment team held meetings).

The assessment team was led by Mr. Paul Seeds (PFM Advisor; PFTAC) and included Mr. Iulai Lavea (PFM Advisor; PFTAC), Mrs. Chita Marzan and Mr. Martin Bowen (IMF FAD Experts), and Mrs. Meresimani Vosawale-Katuba, Pacific Association of Supreme Audit Institutions (PASAI).

The Peer Reviewers included the government oversight team, the PEFA Secretariat, Mr. Matthew Fehre, Australian Department of Foreign Affairs and Trade (DFAT), and Mr. Taichi Sakano, Japan International Cooperation Agency (JICA). The assessment followed the standard PEFA Quality Assurance (QA) process.

Further details on the assessment management and quality assurance arrangements are presented in Annex 1.

Methodology

Type of assessment:

The assessment was conducted in accordance with the PEFA 2016 methodology using the '*AgilePEFA*' approach and the standard *AgilePEFA* Report template of March 2024.

Number of indicators used:

Under the PEFA 2016 methodology and *AgilePEFA* approach a total of 31 indicators and 94 dimensions were covered and there was no divergence from the standard application of assessment of the indicators and dimensions.

Scope and coverage:

The assessment focused on the PFM systems for Central Government, including any transfers that are made from central government to public corporations and extrabudgetary units. The assessment examined financial reporting from the public corporations and extrabudgetary units to the Central Government but did not include a detailed review of all the aspects of the PFM systems for those entities.

The report presents the strengths and weaknesses of Fiji's PFM processes and practices and includes an overview of the PFM system and evidence-based measurement of 31 performance indicators, further disaggregated into 94 dimensions, and allocated across seven pillars of PFM performance.

A list of Fiji's public sector entities are set out in Annex 2 of this report.

Timelines:

In-country field work:	18 th to 29 th November 2024
Country fiscal year:	Fiji fiscal year: 1 August to 31 July
Last three fiscal years covered:	2021-22; 2022-23; 2023-24
Latest budget submitted to legislature:	2024-25
Time of assessment (cut-off):	31 October 2024

Sources of information:

The assessment team accessed a wide range of documents obtained from various Fiji Government websites, as well as those provided directly by MoF officials. The evidence utilized by the team is highlighted in the assessment narrative for each indicator and dimension and referenced as "source" in the footnotes to the tables. Where information is available publicly on government websites the relevant link is also referenced.

A consolidated list of documents used for this assessment, including by indicator, can be found in Annex 3. The names of all persons interviewed and consulted are listed in Annex 4.

The Official Currency of Fiji is the Fiji dollar.

Exchange Rate as at 31 October 2024: 1 Fiji dollar = USD\$0.44423

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Abbreviations and Acronyms

ABP	Annual Borrowing Plan
ADB	Asian Development Bank
AFS	Annual Financial Statements
AIIB	Asian Infrastructure Investment Bank
ANZ	Australia New Zealand (Bank)
AP	Account Payable
APP	Annual Procurement Plans
AR	Accounts Receivable
BCG	Budgetary Central Government
BCS	Budget Classification Structure
BSP	Bank of the South Pacific (BSP)
CAA	Civil Aviation Authority
CEO	Chief Executive Officer
CFA	Consolidated Fund Account
CG	Central Government
CIS	Compliance Improvement Strategy
CoA	Chart of Accounts
COFOG	Classification of Functions of Government
CS-DRMS	Commonwealth Secretariat - Debt Recording and management System
CSO	Civil Society Organizations
DMU	Debt Management Unit
EBU	Extra-Budgetary Unit
FMA	Financial Management Act
FMIS	Financial Management Information System
FPO	Fiji Procurement Office
FRA	Fiji Roads Authority
FRAT	Fiscal Risk Analysis Tool *** multiple
FRCS	Fiji Revenue and Customs Service
FY	Fiscal Year
GDP	Gross Domestic Product
GFS	Government Financial Statistics
IA	Internal Audit
IAGGD	Internal Audit and Good Governance Division

IBRD	International Bank for Reconstruction and Development
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ITC	Information Technology and Communication
KPI	Key performance indicator
LPO	Local Purchase Order
LTA	Land Transport Authority
MDA	Ministries, Departments, and Agencies
MLG	Ministry of Local Government
MoF	Ministry of Finance
MSME	Micro, Small and Medium Enterprises
MTDMS	Medium Term Debt Management Strategy
NDP	National Development Plan
OAG	Office of the Auditor General
PAC	Public Accounts Committee
PC	Public Corporation
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PPP	Public Private Partnership
PS	Permanent Secretary
PSIP	Public Sector Investment Program
QAIP	Quality Assurance Improvement Plan
RBF	Reserve Bank of Fiji
SME	Small and Medium Enterprises
SNG	Sub-National Government
SOE	State Owned Enterprise
TIISP	Transport Infrastructure Investment Sector Project
TMA	Trading and Manufacturing Activities
TPOS	Taxpayer Online Service
VAT	Value Added Tax
WAF	Water Authority Fiji
WBC	Westpac Banking Corporation

1.INTRODUCTION

Economic context

Following three consecutive years (2019-2021) of contraction, the Fijian economy rebounded strongly by an estimated 19.8 percent in 2022. The broad-based recovery was driven by the service sector, backed by better-than-expected performance in tourism and related sectors. In 2023, the economy grew further by 7.5 percent, recovering to pre-pandemic Gross Domestic Product (GDP) levels. Visitor arrivals rose by 46.1 percent in 2023 in comparison to 2022 and 4.0 percent when compared to 2019, reaching a new record of 929,740. Growth in 2023 was propelled by the service sector, largely driven by wholesale & retail, transport & storage and the financial & insurance sector. The strong growth in the services sector was driven by the rebound in tourism activity in 2023 with positive spillovers to the rest of the economy.

The Macroeconomic Committee has revised Fiji's economic growth forecast for 2024, upward from 2.8 percent to 3.8 percent, driven by a robust recovery in the tourism sector, along with growth in related industries such as transport, accommodation, wholesale & retail, and public administration, finance and insurance sectors. Consumption has been bolstered by the positive ripple effects from increased tourism, higher incomes, growing remittances, and increased Government spending. Investment activity has also risen, reflected in the growth of new lending by commercial banks for investment, particularly in building, construction, and other sectors. The growth momentum is expected to continue in 2025 and as such the growth forecast has now been upgraded to 3.4 percent from an earlier projection of 3.0 percent. The services sector will be a key driver of growth on the back of strong tourism activity followed by industrial and primary sectors.

GDP per capita in 2023 was \$12,051.6, an increase of 7.5 percent from 2022. In 2024, Fiji's GDP per capita is projected at \$12,515.5, an increase of 3.8 percent from 2023.

The annual headline inflation (year-on-year) rate has fallen for the fourth consecutive month to 0.8 percent in November 2024. The inflation outcome in November is significantly lower when compared to 5.8 percent in November last year and is also lower than the 3.6 percent recorded in October this year. The November 2024 inflation is the lowest in 16 months and is driven by lower prices noted in food and non-alcoholic beverage (-2.7%), transport (-1.3%), housing, electricity, water, gas and other fuels (0.2%) and clothing and footwear (-0.1%). Year-end inflation for this year is expected to be much lower than our earlier projection of 3.5 percent and is expected to remain stable in the medium term.

Foreign reserves are currently over \$3.8 billion (29/11), sufficient to cover 6.2 months of retained imports of goods and services and are projected to remain adequate over the medium term.

Table 1: Selected key economic indicators

Indicator	2021-22	2022-23	2023-24
GDP (Real) (F\$ millions)	10,087	10,846	11,264
GDP per capita (Fiji Dollars)	\$11,208	\$12,051	\$12,515
Real GDP growth (%)	19.8%	7.5%	3.8%
CPI (annual average change) (%)	4.3%	2.4%	4.8%
External terms of trade (annual percentage change)	1.5%	4.9%	0.6% (June)
Current account balance (% of GDP)	-17.3	-7.7	-4.7
Total external debt (% of GDP)	90.6%	82.1%	78.3%
Gross official reserves (months of import value)	6.2	5.4	6.4 (Nov)

Fiscal trends

Over the past three years, supported by economic recovery and significant revenue-enhancing measures in FY2023-2024, and FY2024-2025 National Budgets, the fiscal deficit has been put on a downward trajectory. The net deficit fell from -12.1 percent of GDP in FY2021-2022 to -7.2 percent in FY2022-2023 to -3.4 percent in FY2023-2024.

Government revenues (excluding grants) improved significantly, increasing from 19.4 percent of GDP in FY2021-2022 to 26.6 percent of GDP in FY2023-2024, while grants remained relatively stable, averaging around 1.7 percent of GDP in the last three years. Total Government expenditure was 33.9 percent of GDP in FY2021-2022 and has reduced to 31.5 percent of GDP in FY2023-2024, which saw an increase by 0.8 percentage points from FY2022-2023, prioritizing spending on social protection and infrastructure investment. Interest expenditure slightly increased, from 3.7 percent of GDP to 4.0 percent in FY2023-2024, reflecting higher debt servicing costs.

The primary deficit improved significantly, from -8.5 percent of GDP in FY2021-2022 to a primary surplus of 0.6 percent of GDP in FY2023-2024. Domestic financing remains the primary source of funding the deficit.

Table 2: Aggregate fiscal data

As % of GDP	2021-2022	2022-2023	2023-2024
Total revenue	21.8	23.5	28.1
Own revenue	19.4	22.1	26.6
Grants	2.3	1.4	1.5
Total Expenditure	33.9	30.7	31.5
Non-interest expenditure	30.2	26.8	27.5
Interest Expenditure	3.7	3.9	4.0
Aggregate deficit (incl. grants)	-12.1	-7.2	-3.4
Primary deficit	-8.5	-3.3	0.6
Net financing	3.4	2.5	3.9

PFM legal framework

The legislative and regulatory framework supporting effective PFM includes (amongst others) the following laws:

- (i) **The Constitution of Fiji.** The Constitution is the highest legislation in the land, providing high-level overarching support to PFM, transparency, and good governance. §121 establishes the Accountability and Transparency Commission, and Chapter 7 (§139-148) sets out the high-level provisions for Revenue and Expenditure. This Chapter covers the raising of revenue; the Consolidated Fund; Appropriations to be authorized by law; Authorizations of expenditure in advance of appropriation; requirement for ministerial consent for appropriation and taxing measures; the Annual Budget; Government Guarantees; Accounting for Public Moneys; Standing Appropriations for Statutory Salaries (which include that of the Auditor General); Other Statutory Expenditure, including Public Debt, Pensions, etc. Chapter 8 addresses Accountability and Part C of this Chapter sets out the establishment, appointment, and functions of the Auditor General. The Constitution is available online in the three main languages of Fiji, iTaukei (Fijian), English, and Hindi.
- (ii) **Financial Management Act 2004 (lates amendment in 2021).** This is the key legislation for PFM. Part 2 of the Act sets out general principles of responsible financial management. It sets out the role of the Consolidated Fund in the management of Revenue and

Expenditures. It defines: the Annual Budget Process; sets out measures for controlling expenditure of public moneys; prescribes responsibilities of chief executive officers and other officials; empowers the issuing of financial instructions and regulations; Defines Accountability for Whole of Government, Budget Sector Agencies, and Off-Budget State Entities; regulates banking arrangements and borrowing powers (including the issuance of Guarantees).

- (iii) **Audit Act 1969 (Amended 2006).** This act sets out the powers, duties, and responsibilities of the Auditor General. It provides that the Auditor General may demand access to any records, books or accounts it deems necessary for carrying out its audit. It provides for prosecution and punishment where people provide false information in the conduct of an audit or other investigation. The Act permits the Auditor General to contract-out audits and investigations and sets out the reporting arrangements of the Auditor General.
- (iv) **Procurement Regulations 2010 (Amended 2020¹).** Procurement is governed through Regulations (empowered through the FMA 2004), rather than through a dedicated legislative Act. The Regulations establish the Fiji Procurement Office (FPO), and the Government Tender Board. It sets out the principles and objectives for economic, open, and competitive procurement, as well as procedures for disposal of Government assets. It sets out the procurement procedures and thresholds, as well as review procedures for hearing complaints from bidders. However, these regulations pertain only to Budgetary Central Government (BCG) entities, i.e., line ministries. Extrabudgetary Units are explicitly excluded from these Regulations.

¹ At the time of assessment an amendment (2024) was drafted but the regulations had not been implemented at that time.

2.SUMMARY OF FINDINGS

2.1 PFM strengths and weaknesses

Pillar One (outturns of expenditures and revenues) highlights good performance, with progressive improvements over the past three fiscal years, and significant improvement over the previous assessment (as discussed below)—PI -1, PI-2, PI-3 scoring B, B+, B respectively. Underpinning this is the quality and reliability of revenue projections, with aggregate revenue outturn achieving up to 98.5% of budgeted revenue. However, the composition outturn by revenue type reflects increasing variances over the last three years, although this was largely driven by fluctuations in direct and indirect taxes, and grants-in-aid (which are outside the control of government). The gap between planned and actual spending has narrowed over the past three years. Similarly, variances in administrative classifications have steadily declined, indicating better alignment between budget plans and actual expenditures by agencies. However, variances by economic classifications have slightly increased since FY 2021-22, highlighting ongoing challenges in achieving balanced execution across expenditure categories.

In-year budget amendments represented less than 2.7% of total budget expenditures in 2023-24 (PI-21.4). Consistent underspending in aggregate expenditure over the medium to long term poses significant risks to fiscal discipline and undermines the credibility of budget planning. It weakens the effectiveness of public service delivery and potentially leaves planned programs and initiatives underfunded. In this regard, budget reliability is undermined by shortcomings in medium-term budget (PI-16) discussed further below.

Pillar Two, Transparency of Public Finances reflects mixed performance across indicators. The chart of accounts (CoA) PI-4 reflects some good elements, vis-à-vis administrative and economic classifications. However, the absence of a functional classification² aligned to the Classification of Functions of Government (COFOG) framework limits the ability to analyze expenditures from a functional perspective—hence this Indicator was assessed as a B. Budget documentation, PI-5, is comprehensive, ensuring Parliament is appropriately informed. PI-6 highlights comprehensive reporting of Central Government (CG) revenues and expenditures. However, this is undermined by tardiness in publishing audited financial statements of extrabudgetary units (EBUs). Intergovernmental transfers, PI-7, show strong adherence to rules-based systems, ensuring horizontal allocations are determined transparently. However, the ability to plan local budgets effectively is impacted by late notification of transfers limiting time for local governments to plan. Information on performance planning and reporting is significantly lacking, resulting in a score of D under PI-8. Ministries prepare operational plans (PI-8) which are costed and set out planned performance, with objectives and Key Performance Indicators (KPI). Information on actual performance is included in ministry/agency annual reports. Information is also provided on resources allocated to front line services. However, the plans are not published, FY2023-24 annual reports are delayed, and no independent evaluations of performance have been undertaken, resulting in a score of D+.

Public access to fiscal information is generally good with four of the basic elements made public within the recommended timeframe, hence a score of B. A citizen's guide to the budget is prepared which improves access and transparency. However, the 2022-23 annual financial statements have still to be audited and published, impacting overall transparency.

Pillar Three – Management of Assets and Liabilities was a bit of a mixed bag. PI-13, Debt Management scored A, with the recent introduction of a Medium-Term Debt Management Strategy (MTDMS). PI-10,

² The new CoA/BCS adopted with the new FMIS – adopted after the period of the PEFA assessment -uses side tables to achieve COFOG classifications.

Fiscal Risk scored a C+. The inclusion of fiscal risk assessments in the Budget Supplement, along with the application of the IMF's Fiscal Risk Analysis Tool (FRAT), reflects a structured approach to identifying macroeconomic and environmental risks at a national level. Information on contingent liabilities is well covered, including an estimate of some implicit contingent liabilities. However, overall performance on this indicator is undermined by delays in submitting audited financial statements from local governments. PI-12 public asset management scored B overall, but limitations were noted on non-financial assets data in the absence of a comprehensive overall central government asset database. PI-11, Public Investment Management, scored C+, with economic analysis, project costing, and project monitoring remaining at C as per the previous assessment. However, improvement in PI-11.2, project selection, was recognized, scoring A, with project selection being prioritized based on published criteria and guidelines.

Pillar Four reflects mixed performance across Indicators. Fiji has a well-developed budget framework premised on sound forecasts and solid analytical underpinnings. The Financial Management Act 2004 provides the legislative framework to advance the reform agenda. It mandates that budget estimates, the fiscal strategy, the Medium-Term Fiscal Framework (MTFF), and supplementary documents are provided to Parliament on a timely basis for review. PI-18, Legislative Scrutiny of Budgets, scored A: all budget documents are submitted for Parliament's review; Standing Orders provide clear procedures and guidance; budgets have been submitted on time over the past three fiscal years, enabling approval prior to commencement of the new financial year; The Financial Management Act (FMA) 2004 provides guidance on budget amendments, which is adhered to. PI-14 Macro Fiscal forecasting was assessed C+), whilst macroeconomic forecasts lack interest and exchange rate analysis. The improvement in Budget Reliability (Pillar One) is somewhat attributable to performance under PI-14.

Significant improvement has been realized under Fiscal Strategy, PI-15, with a score of A for each dimension, with detailed analysis of fiscal impacts of new revenue and expenditure policies, and the implementation of quarterly fiscal performance reports. PI-16, Medium Term Perspective in Expenditure Budgeting scored D+, the same as the 2019 PEFA, highlighting scope for further improvement. PI-17 regressed from previous assessment scoring C, due to lack of budget ceilings in call circulars and limited time given in budget calendar and for legislative scrutiny.

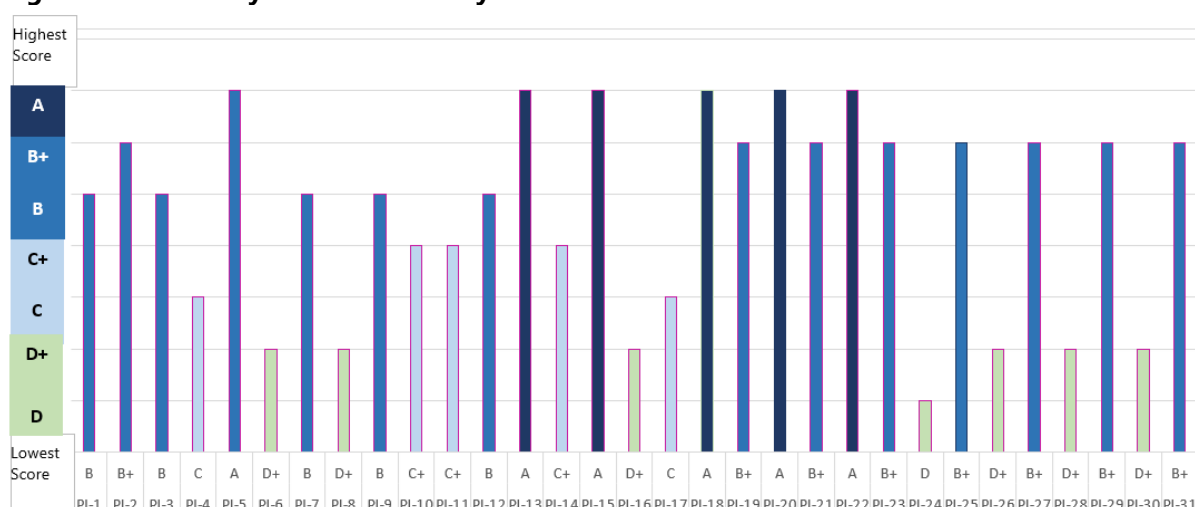
Budget Execution and Control (Pillar Five) reflects good overall performance on most Indicators and dimensions, with the exception of PI-24 Procurement. FRCS is the main revenue collection agency, accounting for more than 89 % of all revenue collections. FRCS uses the SAP enterprise resource planning (ERP) package, which provides robust system support to managing assessments, collections, deposits into Treasury Bank Accounts, and tax debtors/arrears. Extensive guidance is provided to taxpayers, tax compliance measures are robust with an effective compliance improvement strategy (CIS). Revenue collections are recorded in the FMIS daily. PI-19 and PI-20 scored B+ and A accordingly. PIs-21.2, 21.3 and 21.4 each scored A, with cash flow forecasts updated monthly; warrants released on a full annual basis; and budget adjustments were small, but transparent and in accordance with the legal provisions under the FMA.

Under PI-21, In Year Resource Allocation, MoF prepares annual cash plans which are updated monthly; commitment releases are made at the start of the financial year for the whole year; and in year budget adjustments are small (2.7% of the budget) and are undertaken transparently in accordance with the FMA, as described in PI-18.4. However, banking arrangements are not well consolidated with many (36) bank accounts in existence and no automated sweeping or general fungibility between accounts. These accounts are also held across multiple (6) different banks. PI-21.2 was rated D accordingly, whilst other dimensions scored A. Accounts payable are well managed through the FMIS, with the stock of arrears being low and the FMIS providing detailed analysis of payables and arrears PI-22 scored A accordingly. Internal controls are robust for both payroll and non-payroll expenses (PI-23 and PI-25), scoring B+ and A respectively, facilitated by strong automated system controls in the FMIS. Procurement (PI-24) was highlighted as a specific area of weakness, scoring D overall. This was largely due to lack of procurement

data from EBUs who are responsible for significant procurement activity, and FPO data was also lacking comprehensiveness. Internal Audit (PI-26) generally performed well, with good coverage of entities, and use of international standards and a risk-based approach. Generally, there is good follow up on audit findings. However, implementation of audit plans (PI-26.3) fared less well, scoring only D.

Performance under Pillar Six was good with a score of B+ for Indicators PI-27 and PI-29. Although PI-28.1 scored A, and PI-28.3 scored B, the overall score for the indicator was D+, on account of timeliness of in-year reporting, whereby although reports were mostly submitted within 2 weeks on some occasions, reports were submitted after 3 months (and the PEFA scoring is based on biggest time lag). Data integrity under PI-27.1 suffered from a lack of evidence on bank reconciliation by Statutory Authorities. i.e., EBUs. PI-29 highlighted significant improvement in timing of submission of annual financial statements (AFS) for audit. Coverage and data quality of in-year and annual financial reports was also very good.

Figure 2.1: Summary of PEFA scores by indicators – PEFA 2016 framework



2.2 Impact of PFM performance on three main fiscal and budgetary outcomes

1. Aggregate fiscal discipline

The COVID pandemic severely impacted the Fijian economy in early 2020. The Fijian economy is heavily dependent on the tourism sector which was severely and negatively impacted when international travel was interrupted globally, and borders were locked down. The downturn in the economy saw Government revenues fall steeply in FY2020-21 and FY2021-22. The Government undertook stringent measures to mitigate the impact on citizens and businesses, which resulted in significant increases in the budget deficit and to public debt, which reached 90.6% of GDP, in FY2021-22.

Since then, Government has sought to consolidate and reduce deficits and debt. Deficits have progressively reduced, culminating in a primary surplus in FY2023-24. Revenues increased from 19.4% of GDP in FY2021-22 to 26.6% in FY2023-24. Debt has been progressively reduced year on year from 90.6% to 78.3% of GDP.

Aggregate fiscal discipline has been made possible by sound fiscal strategies (See PI-15), underpinned by robust macrofiscal analysis and forecasting (See PI-14) and reliable revenue projections (See PI-3). Targeted spending plans, prioritizing social protection and public investment, facilitated control over aggregate spending (See PI-1) which saw total expenditures fall from 33.9% of GDP in FY2021-22 to 31.5% in FY2023-24.

Adherence to the FMA which prescribes robust procedures for budget adjustments ensured that these adjustments were small, i.e., only 2.7% of the original budget in FY2023-24 (See PI-21.4). Fiscal discipline was also facilitated by a strong internal control environment, as evidenced under PI-22, PI-23, PI-25.

2. Strategic allocation of resources

Fiji has a well-developed budget planning framework predicated on a Medium-Term Fiscal Framework. Budget planning and preparation aims to align individual ministry budget submissions with the National Development Plan (NDP) objectives and Vision 2050 (See PI-16). The Financial Management (Amendment) Act 2021 requires the Ministry of Finance to prepare detailed fiscal strategies, which are closely aligned with revenue, expenditure priorities, and debt management. However, the estimates for the two outer years are presented as “proposed changes” which are assumed zero for most of the programs. This implies the FY2024-25 expenditure levels remain largely unchanged in the two outer years.

Under the framework, Ministries are required to prepare costed operational plans detailing strategic goals, activities, outputs, and performance indicators. However, there seems to be lack of a consistency in format of the plans across ministries, and alignment between program objectives and performance outcomes and specific budget allocations is not always clear.

Information on actual performance is required to be included in ministry/agency annual reports, In practice, the most recent published annual report of any of the seven largest ministries dates back to 2021-22.

In addition, there is no formal system of regular program evaluation. While the Office of the Auditor General has conducted some limited performance audits, these have covered only a small fraction of service delivery expenditure. The absence of comprehensive, independent evaluations limits the government's ability to assess the impact and effectiveness of its programs as well as to make informed adjustments to its budget allocations and program design.

3. Efficient use of resources for service delivery

Despite consistent underspending relative to approved budgets, recent progress in narrowing the gap between planned and actual expenditures indicates improved alignment in fiscal management. Reduced variances in administrative classifications reflect better agency-level adherence to budget plans, enhancing resource predictability. However, persistent underspending, coupled with increased variances in economic classifications, undermines budget credibility and impairs the full implementation of planned programs. This, in turn, weakens service delivery and erodes public trust in government spending priorities.

Challenges in procurement practices and limited follow-through on internal audit recommendations further hinder efficiency. Procurement inefficiencies, especially in decentralized entities, compromise cost-effectiveness, transparency, and timely program execution. While internal audits generally perform well, the low implementation rate of their recommendations limits their impact on addressing inefficiencies and strengthening governance. Addressing these gaps, alongside leveraging fiscal performance reports to inform future planning, will be critical to enhancing the effectiveness of public service delivery.

Strong cash flow forecasting and the release of full annual appropriations (PI-21) provide spending ministries with resource predictability, supporting effective budget execution. The internal control framework is robust, as demonstrated by high scores in key areas: PI-22 (A) for low expenditure arrears due to effective payment processes; PI-23 and PI-25 (B+ and A) for strong budgetary controls; and PI-26 (with two A scores and one B) for internal audit performance.

2.3 Performance change since previous assessment

The 2024 PEFA assessment reflects significant improvements over the 2019 PEFA. Figure 2.2 below shows an increase in A scores from 3 to 5, B+ scores from 6 to 10 and B scores remained at 6 across all indicators.

Figure 2.3 shows a side-by-side comparison for each indicator between the two assessments. The improved performance can be clearly seen. Annex 6 compares the respective scores for the two assessments by dimension with a brief explanation of the changes.

Figure 2.2: Comparison of the distribution of indicator scores between the assessment in [2019] and the assessment in [2024] using the [2016] framework

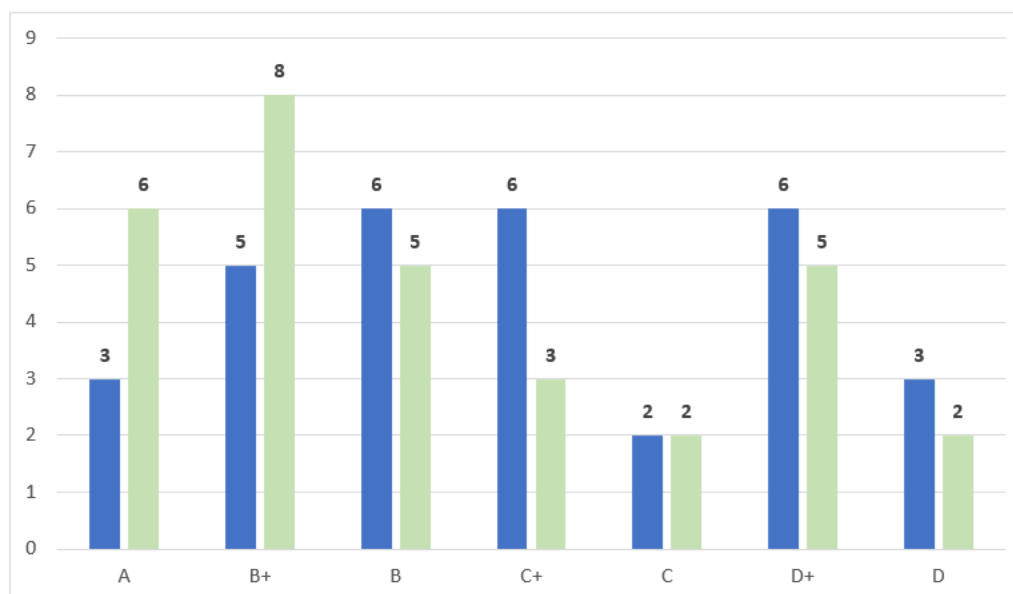
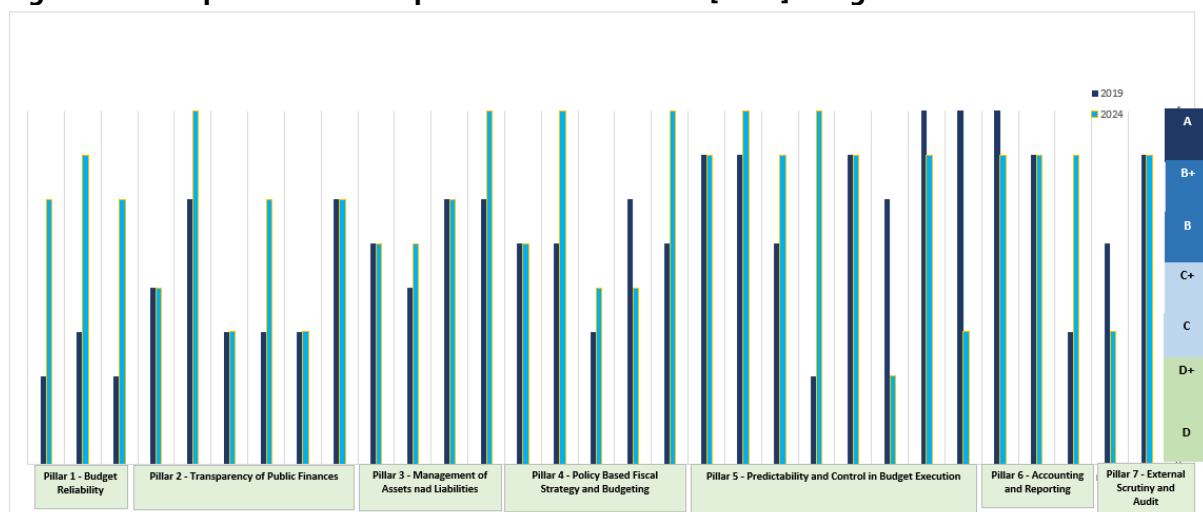


Figure 2.3: Comparison with the previous assessment in [2019] using the 2016 framework



2.4 Progress in Government PFM reform program

Following the 2019 PEFA, the MoF developed the Public Financial Management Improvement Plan 2020-2025 plan (PFMIP). MoF has been successful in implementing a number of reform initiatives under the PFMIP which have reflected in improved ratings in this assessment compared to the 2019 PEFA assessment. The MoF has been working on strengthening the medium-term fiscal framework to align

the revenue targets with the fiscal strategy. Efforts to further improve forecasting methodologies of individual revenue items are also ongoing, in consultation with the Revenue Technical Committee comprising MoF, FRCS and the Reserve Bank of Fiji (RBF).

The government has formulated a Medium-Term Fiscal Strategy (MTFS) covering the period FY2024-2025 to FY2026-2027, which includes an MTFF with measurable objectives and targets to guide budget preparation, alongside broad guidelines for expenditure and revenue policy formulation and debt management. PFMIP plans include the implementation of a medium-term expenditure framework (MTEF) aimed at integrating the budget and planning processes with broader fiscal policy goals to enable more effective and efficient resource management. The plan envisages drafting guidelines on medium-term expenditure planning, preparing a training manual, and strengthening the technical and institutional capacity of Budget Division staff. However, progress on an MTEF is yet to commence, and the plan indicates the need for technical assistance to support this.

A new FMIS has been implemented for FY 2024-25, which also includes the implementation of a new Budget Classification Structure (BCS) and CoA, aimed at standardizing the classification of government budgeting and accounting data, and aligning to international standards, i.e., Government Finance Statistics (GFS) and COFOG. The new CoA will also allow for gender and climate tagging. The FMIS covers all the core financial functionality, including purchasing management, Accounts Payable (AP - including payments management), Accounts Receivable (AR - including receipts management), General Ledger (GL), assets management, bank reconciliation and reporting. Implementation also included the payroll system, integrated with the FMIS payments functionality. The Human Resources (HR) module is yet to be implemented but will strengthen internal control on payroll expenses with integration the HR and payroll modules.

A new budget planning software, (Questica), is currently being implemented and is expected to be piloted for FY2025-26. This will strengthen the budgeting process and provide better integration with the FMIS. The PFMIP also prioritizes reporting on the performance of service delivery programs. Monitoring and reporting will be strengthened through an improved budget submission template, incorporating gender-responsive budgeting. MoF also seeks to strengthen climate responsiveness in budget policies with the initiation of Green PFM initiatives.

Recent reforms have included the preparation of a MTDS and the transition from the CS-DRMS to the CS-Meridian debt management system. All ministries have recently formulated asset management strategies, and the next step will be to establish a National Asset Register, which will be integrated with the new FMIS system to strengthen asset tracking and management across the government. Asset registers will ultimately incorporate climate dimension data, such as locations and climate vulnerability.

Guidelines for the Preparation, Appraisal and Approval of Projects under the Public Sector Investment Program (PSIP) have been approved, and a pilot comprising ten ministries/entities has been implemented in FY2024-2025. Oversight of Public Investment Management is being strengthened through improved project monitoring and transparency. Quarterly and annual project reporting will become a mandatory requirement for entities implementing projects, with updates managed through the project management database system (PMWEB).

Significant reforms have been made in strengthening Internal Audit, including implementing modern risk-based audit practices; International Internal Audit Standards; Development of Internal Audit Charters; and approving a Quality Assurance Improvement Plan (QAIP).

The legal framework was updated (revised budget amendment April 2022). Procurement Regulations were updated in 2020, and guidelines have been developed but these are not due to be implemented until March 2025.

2.5 Summary of performance indicator

Table 2.1: Summary of performance indicators

PFM PERFORMANCE INDICATOR		SCORING METHOD	DIMENSION RATINGS				OVERALL RATING
			i	ii	lii	iv	
Pillar One: Budget reliability							
PI-1	Aggregate expenditure outturn	M1	B				B
PI-2	Expenditure composition outturn	M1	B	B	A		B+
PI-3	Revenue outturn	M2	A	C			B
Pillar Two: Transparency of public finances							
PI-4	Budget classification	M1	C				C
PI-5	Budget documentation	M1	A				A
PI-6	Central government operations outside financial reports	M2	D*	D*	D		D
PI-7	Transfers to subnational governments	M2	A	C			B
PI-8	Performance information for service delivery	M2	D	D	B	D	D+
PI-9	Public access to fiscal information	M1	B				B
Pillar Three: Management of Assets and Liabilities							
PI-10	Fiscal risk reporting	M2	C	D	A		C+
PI-11	Public investment management	M2	C	A	D	C	C+
PI-12	Public asset management	M2	B	C	A		B
PI-13	Debt management	M2	A	A	A		A
Pillar Four: Policy-based fiscal strategy and budgeting							
PI-14	Macroeconomic and fiscal forecasting	M2	D	C	A		C+
PI-15	Fiscal strategy	M2	A	A	A		A
PI-16	Medium-term perspective in expenditure budgeting	M2	D	D	C	A	D+
PI-17	Budget preparation process	M2	A	D	D		C
PI-18	Parliamentary scrutiny of budgets	M1	A	A	A	A	A
Pillar Five: Predictability and control in budget execution							
PI-19	Revenue administration	M2	A	A	A	C	B+
PI-20	Accounting for revenue	M1	A	A	A		A
PI-21	Predictability of in-year resource allocation	M2	D	A	A	A	B+
PI-22	Expenditure arrears	M1	A	A			A
PI-23	Payroll controls	M1	B	A	A	A	B+
PI-24	Procurement management	M2	D	D*	D	D	D
PI-25	Internal controls on non-salary expenditure	M2	B	A	B		B+
PI-26	Internal audit	M1	A	A	D	B	D+
Pillar Six: Accounting and reporting							
PI-27	Financial data integrity	M2	D*	A	A	A	B+
PI-28	In-year budget reports	M1	A	D	B		D+
PI-29	Annual financial reports	M1	B	A	A		B+
Pillar Seven: External scrutiny and audit							
PI-30	External audit	M1	B	B	B	D	D+
PI-31	Parliamentary scrutiny of audit reports	M2	D	A	A	A	B+

3.ANALYSIS OF PFM PERFORMANCE – Pillars, indicators, and dimensions

This section provides an assessment of each of the 31 indicators and 94 dimensions that make up the PEFA framework. Each dimension score is calibrated to reflect a level of PFM practice as set out in the table below. Dimension scores are aggregated using PEFA Framework guidance to arrive at indicator-level scores.

SCORE	LEVEL OF PFM PRACTICE
A	High level of performance that meets good international practices.
B	Sound performance in line with many elements of good international practices.
C	Basic level of performance.
D	Either less than the basic level of performance or insufficient information to score (D*).

PILLAR ONE: Budget Reliability

Pillar one includes three indicators which assess whether the government budget is realistic and is implemented as intended. This is measured by comparing actual revenues and expenditures (the immediate results of the PFM system) with the original approved budget.

Overall performance

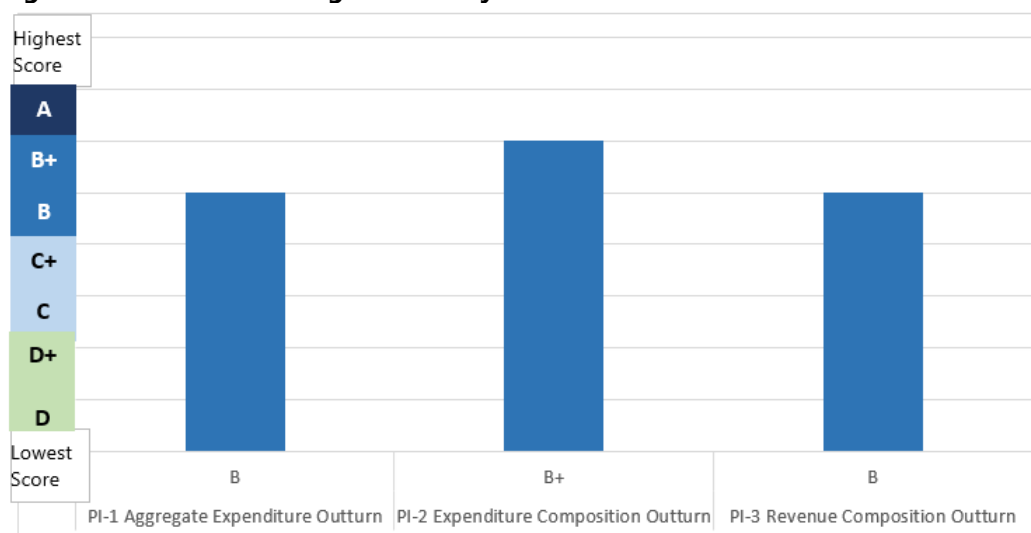
Aggregate expenditure outturn has consistently fallen short of the approved budget over the past three fiscal years. However, the trend has gradually improved, reflecting progress in narrowing the gap between planned and actual spending.

Variances in administrative classifications have steadily declined, indicating better alignment between budget plans and actual expenditures by agencies. In-year budget amendments represented less than 2.7% of total budget expenditures in 2023-24 (PI-21.4). However, variances in economic classifications have slightly increased since FY 2021-22, highlighting ongoing challenges in achieving balanced execution across expenditure categories. Both the under-execution of budget aggregates, and composition variances, however, have improved significantly compared to the findings of the 2019 PEFA assessment.

Consistent underspending in aggregate expenditure over the medium to long term poses significant risks to fiscal discipline and undermines the credibility of budget planning. It weakens the effectiveness of public service delivery and potentially leaves planned programs and initiatives underfunded. In this regard, predictability and medium-term planning can be improved through the application of medium-term budget estimates (PI-16.1), the application of budget ceilings (16.2) and linking budget preparation to the previous budget's outyear estimates (PI-16.3).

Aggregate revenue outturn has shown significant improvement, reaching 98.5% of budgeted revenue. However, the increasing variance (from 7.3% to 14.3% over the last three years) by revenue type undermines the predictability of revenue streams. The variances seem to be largely driven by fluctuations in direct and indirect taxes, grants-in-aid (which are outside the control of government) and reimbursements and recoveries.

Figure 3.1. Pillar One: Budget reliability



Recent and ongoing reform activity

As part of its Public Financial Management Improvement Plan 2020-2025 plan (PFMIP), the MoF has been working on strengthening the medium-term fiscal framework to align the revenue targets with the fiscal strategy. Efforts to further improve the projection methods and forecasting methodology of individual revenue items are also ongoing, in consultation with the Revenue Technical Committee comprising MoF, FRCS and RBF (in accordance with the PFMIP).

The latest PFMIP includes plans to implement a medium-term expenditure framework (MTEF) aimed at integrating the budget and planning processes with broader fiscal policy goals to enable more effective and efficient resource management. The plan envisages drafting guidelines on medium-term expenditure planning, preparing a training manual, and strengthening the technical and institutional capacity of Budget Division staff. However, progress on an MTEF has not yet commenced and the plan indicates that technical assistance will be required.

PI-1 Aggregate expenditure outturn³

This indicator measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports. Coverage is BCG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-1: Aggregate expenditure outturn (M1)		B
1.1 Aggregate expenditure outturn	Aggregate expenditure outturn has been below the budget plan at 91.9%, 94.2%, and 94.3% for FY 2021-22, 2022-23 and 2023-24, respectively.	B

Evidence for score

Annex 7 presents the PEFA framework spreadsheets showing the original budgets approved by parliament compared with the actual outturns as presented in the audited annual financial statements

³ The calculations for PI-1, PI-2 and PI-3 include development partners' contributions to budget resources (i.e. general budget support and development funds) and expenditures of these funds. However, it excludes 'in-kind' resources paid for by development partners which is included in the budget estimates document but not the annual financial statements or unaudited budget execution reports provided to the assessment team.

for 2021-22, unaudited annual financial statements provided for 2022-23, and draft annual financial statements for 2023-24.

Table 1.1: Aggregate expenditure outturn (Last three completed fiscal years)

Aggregate expenditure (amount \$'000)	2021-22	2022-23	2023-24
Original approved budget	3,715,081	3,812,130	4,339,871
Outturn	3,414,096	3,589,236	4,093,786
Outturn as a percentage of original approved budget (%)	91.9%	94.2%	94.3%

Data source: *Audited annual financial statements 2021-22; Unaudited annual financial statements 2022-23, and draft annual financial statements for 2023-24 provided by MoF. Data is presented on a cash accounting basis.*

PI-2. Expenditure composition outturn

This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition. Coverage is BCG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-2. Expenditure composition outturn (M1)		B+
2.1 Expenditure composition outturn by function	Variance in expenditure outturn by administrative classification was 8.8%, 7.9% and 7.0% for 2021-22, 2022-23 and 2023-24, respectively. Main sources of the variation were various underspends and overspends among the larger spending agencies including Ministry of Health (underspend) and Fiji Roads authority (overspend).	B
2.2 Expenditure composition outturn by economic type	Variation in expenditure outturn by economic type were 6.2%, 7.2% and 7.2% for 2021-22, 2022-23 and 2023-24, respectively. Variances occurred across most categories of expenditure by economic type over the period.	B
2.3 Expenditure from contingency reserves	The Government maintains contingency funds for general reserves (operating and capital), salaries, construction, and natural disasters. Average contingency fund expenditure was 0.3% of total expenditures during the three-year period.	A

Evidence for score

Annex 7 presents the PEFA framework spreadsheets showing the original budgets approved by parliament compared with the actual outturns by administrative and economic classification as presented in the audited annual financial statements for 2021-22, unaudited annual financial statements provided by the MoF for 2022-23, and draft annual financial statements for 2023-24. It also shows the budgeted and outturn for contingency expenditures.

Table 2.1, 2.2 and 2.3: Expenditure composition outturn compared to original approved budget and expenditure from contingency reserves (last three completed fiscal years)

	2021-22	2022-23	2023-24
Administrative	8.8%	7.9%	7.0%
Economic classification	6.2%	7.2%	7.2%
Actual expenditure charged to a contingency vote	0.1%	0.7%	0.3%

Data source: *Audited annual financial statements 2021-22; Unaudited annual financial statements 2022-23, and draft annual financial statements for 2023-24 provided by MoF*

PI-3. Revenue outturn

This indicator measures the change in revenue between the original approved budget and end-of-year outturn. Coverage is BCG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-3. Revenue outturn (M2)		B
3.1 Aggregate revenue outturn	Actual revenue was 97.2%, 93.5%, and 98.5% the approved budget for FY 2021-22, 2022-23 and 2023-24, respectively.	A
3.2 Revenue composition outturn	The variance in revenue composition by category was 7.3%, 10.5%, and 14.3% for FY 2021-22, 2022-23 and 2023-24, respectively. Main variation in 2022-23 and 2023-24 was higher than projected direct taxes. For 2023-24 there were lower than expected indirect taxes. For 2022-23 there were higher than projected direct taxes and lower than expected grants-in-aid, recoveries and reimbursements and indirect taxes.	C

Evidence for score

Annex 7 presents the PEFA framework spreadsheets showing the original revenue estimates approved by parliament compared with the actual outturns, including variances by composition, as presented in the audited annual financial statements for 2021-22, unaudited annual financial statements provided by the MoF for 2022-23, and draft annual financial statements for 2023-24.

Table 3.1 and 3.2: Aggregate outturn and composition of revenue

Total revenue (amount)	2021-22	2022-23	2023-24
Original approved budget	2,253,124	2,939,931	3,700,725
Outturn	2,190,811	2,749,825	3,646,167
Outturn as a percentage of the original approved budget (%)	97.2%	93.5%	98.5%
Composition Variance (%)	7.3%	10.5%	12.8%

Data source: Audited annual financial statements 2021-22; Unaudited annual financial statements 2022-23, and draft annual financial statements for 2023-24 provided by MoF.

PILLAR TWO: Transparency of Public Finances

Pillar two includes six indicators which assess whether information on public financial management is comprehensive, consistent and accessible to users. This is achieved through comprehensive budget classification, transparency of all government revenue and expenditure including intergovernmental transfers, published information on service delivery performance and ready access to fiscal and budget documentation.

Overall performance

The budget classification system demonstrates consistency in its use of administrative and economic classifications, with the 2023-24 budget incorporating a common chart of accounts (CoA) across budget preparation, execution, and financial reporting for administrative and economic classification. However, the absence of a functional classification segment and the lack of alignment with the internationally recognized COFOG framework limits the ability to analyze expenditures from a functional perspective.

Budget documentation is comprehensive ensuring that a substantial amount of fiscal information is made available to parliament. The absence of explanations of the fiscal impacts of new spending initiatives, quantifications of tax changes, and details on fiscal risks associated with public-private partnerships (PPPs) are noted. With regard to PPPs, although insignificant (see PI-10), the requirement for this element requires full coverage of risks (including PPPs).

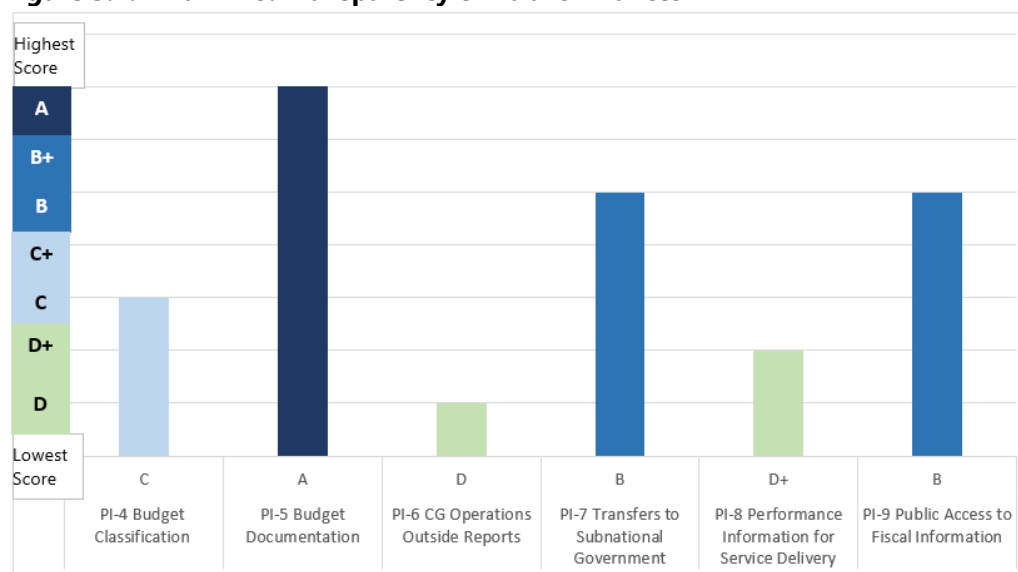
Transparency in financial reporting by extrabudgetary units is mixed. While detailed reports on revenues, expenses, assets, and liabilities are submitted, the timeliness of these reports is a concern, with most entities submitting them beyond the nine-month deadline. This delay compromises the usefulness of the information for timely fiscal oversight. Expenditures and revenues reported outside government financial reports were 0.9% and 0.6% of total BCG budget respectively.

Intergovernmental transfers show strong adherence to rules-based systems, ensuring horizontal allocations are determined transparently. However, the process for communicating these transfers to subnational governments does not allow adequate time for effective local budget planning, with less than four weeks provided for subnational governments to finalize their plans before the start of the incoming fiscal year.

While some information on planned and actual outputs, outcomes and activities are included in ministry operational plans and annual reports, the absence of published operational plans for 2024-25 and the lack of annual reporting limits capacity for monitoring and developing appropriate policy responses to service delivery performance.

Public access to fiscal information is generally good with four of the basic elements made public within the recommended timeframe. However, the 2022-23 annual financial statements have still to be audited and published. A citizen's guide to the budget is prepared which improves access and transparency. The guide includes summary highlights and informational graphics on economic outlook, budget allocations, budget announcements, key expenditure and revenue policies, tax incentives and the medium-term fiscal framework.

Figure 3.2. Pillar Two: Transparency of Public Finances



Recent and ongoing reform activity

A new FMIS and the Budget Classification Structure (BCS) have been implemented for FY 2024-25. The new Chart of Accounts (CoA) along with the BCS is intended to standardize the classification of government accounting data, fostering improved management, accountability, and transparency, as well as include mapping to GFS and COFOG. The new CoA will also allow for gender and climate tagging.

The PFMIP identifies strengthening the reporting on the performance of service delivery programs as a priority area. A new budget planning software, (Questica), has been acquired to strengthen the budgeting process. Staff from the Budget and Planning Division, along with users from other ministries and departments, have undergone training on the new system. The software is designed to automate budget compilation and integrate with the new FMIS and is expected to be piloted in 2025-26. Monitoring and reporting will also be strengthened through the budget submission template, incorporating gender-responsive budgeting (revising the annual work program template).

PI-4. Budget classification

This indicator assesses the extent to which the government budget and accounts classification is consistent with international standards. Coverage is BCG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-4. Budget classification		C
4.1 Budget classification	Budget formulation, execution and reporting are based on an administrative and economic classification structure that produces consistent documentation comparable with those standards. For the 2023-24 budget, a common chart of accounts (CoA) was used for budget preparation, budget execution and financial reporting. The CoA does not include a functional classification segment, and there was no mapping the of coding structures into functional classification.	C

Evidence for score

Evidence of the budget classification system in use 2023-24 is available in the form of the Chart of Accounts (CoA), budget estimates documents, and annual financial statements. The chart of accounts

guidance provides explanation of the classification and coding system and how it is applied. The CoA includes a detailed administrative classification and an account segment that is equivalent to an economic classification.

The budget estimates are presented by administrative head, with a breakdown into 'programs' and 'activities', with the budget for each activity divided into main economic items (equivalent to the first two digits of the GFS economic classification). The budget also contains summary tables that allocate ministries into four 'functional categories' – general administration, social services, economic services, and infrastructure. These categories do not align with Classification of the Functions of Government (COFOG).

Aggregate budget execution reporting by the MoF is presented according to the administrative and economic category. The most recently published annual financial statements for 2021-22 (as well as unaudited statements for 2022-23 and draft statement for 2023-24) include comparable detailed budget actual tables by both economic classification (at a level equivalent to GFS 2 digit) and administrative classification.

Table 4.1: Budget classification and chart of accounts (Last completed fiscal year)

Element	Classification structure					
	Admin (Y/N)	Economic: Number of digits and GFS compliance (Y/N)			Function (Y/N)	Subfunction/ Program (S/P/N) *
		Revenue	Recurrent	Capital		
Chart of accounts	Y	Y2	Y2	Y2	N	N
Budget formulation	Y	Y2	Y2	Y2	N	N
Budget execution	Y	Y2	Y2	Y2	N	N
Reporting	Y	Y2	Y2	Y2	N	N

* **Note:** S = Subfunction; P = Program; Y=Yes and N = No

Data source: Chart of Accounts: Account Number Structure for Fiji Government (2005); Annual Financial Statements (2021-22, 2022-23 unaudited, 2023-24 draft); *Budget Estimates 2024-25*; Budget execution reports; Meetings with Treasury staff.

PI-5. Budget documentation

This indicator assesses the comprehensiveness of the information provided in the annual budget documentation, as measured against a specified list of four basic and eight additional elements. Coverage is BCG for the last budget submitted to the legislature.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-5. Budget documentation		A
5.1 Budget documentation	The Budget documents fulfil ten elements, including the four basic elements of table 5.1	A

Evidence for score

The documentation presented to the Parliament included the Budget Speech, 2024-25, Budget Estimates (Revenue and Expenditure), and the Economic and Fiscal Supplement to the 2024-25 Budget (referred to as the Budget Supplement). Table 5.1 presents a list of information included in the documentation and source of evidence. An Annual Debt Report was also prepared prior to the budget.

Table 5.1 Budget documentation (Last budget submitted to the legislature)

Item	Included (Y/N)	Source of evidence and comments
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Basic elements			
1	Forecast of the fiscal deficit or surplus or accrual operating result.	Y	Economic and Fiscal Update Supplement to the 2024-25 Budget (referred to as 2024-25 Budget Supplement) page 31 presents gross and net projected 2024-25 deficit in absolute amount and as a percentage of GDP.
2	Previous year's budget outturn, presented in the same format as the budget proposal.	Y	Budget Estimates 2024-25 . Summary presented on page 9. Details provided for all ministries and agencies.
3	Current fiscal year's budget presented in the same format as the budget proposal. This can be either the revised budget or the estimated outturn.	Y	Budget Estimates 2024-25 . 2023-24 revised estimates summary presented on page 9. Details provided for all ministries and agencies.
4	Aggregated budget data for both revenue and expenditure according to the main heads of the classifications used, including data for the current and previous year with a detailed breakdown of revenue and expenditure estimates.	Y	Budget Estimates 2024-25 . A summary of expenditure by administrative head is presented on pages 10-11. A summary of revenue by category is presented on page 322.
Additional elements			
5	Deficit financing, describing its anticipated composition.	Y	Budget Estimates 2024-25 . Page 8.
6	Macroeconomic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate.	Y	Economic and Fiscal Update Supplement to the 2024-25 Budget : GDP growth – table 4 & 5, page 85; table 14, page 88; interest rates table 12, page 46; exchange rates – page 26 Budget Estimates 2024-25 Exchange Rates – page 297.
7	Debt stock, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard.	Y	Economic and Fiscal Update Supplement to the 2024-25 Budget Chapter 5 – Government Debt and Investments; Annual Borrowing Plan 2024-25 ;
8	Financial assets, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard.	Y	Economic and Fiscal Update Supplement to the 2024-25 Budget Chapter 5 – Government Debt and Investments, p51.
9	Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure financing instruments such as public-private partnership (PPP) contracts, and so on.	N	Economic and Fiscal Update Supplement to the 2024-25 Budget Chapter 6 – Fiscal Risk (including contingent liabilities). A table with a summary of explicit and implicit government guarantees is presented on page 42. No information is provided regarding the fiscal risk of PPPs in health and housing.
10	Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the budgetary impact of all major revenue policy changes and/or major changes to expenditure programs.	Y	Economic and Fiscal Update Supplement to the 2024-25 Budget Chapter 9 2024-25 Tax Policy Measures lists 63 measures. Estimates of 'key' revenue policy changes is included in Chapter 3 (pg 29-31) of the supplement; estimates of other revenue policy changes are not provided. Chapter 1 (pg 6-18) includes explanation and fiscal impact of the major new policy initiatives and major public investments is presented.
11	Documentation on the medium-term fiscal forecasts.	Y	Economic and Fiscal Update Supplement to the 2024-25 Budget : Chapter Medium-Term Fiscal Strategy sets out the medium-term fiscal framework (table 6, page 35)
12	Quantification of tax expenditures.	N	No information provided on tax expenditures.

PI-6. Central government operations outside financial reports

This indicator measures the extent to which government revenue and expenditure are reported outside central government financial reports. Coverage is CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-6. Central government operations outside financial reports (M2)		D
6.1 Expenditure outside financial reports	There are no available financial reports of the Fiji Road Authority and the Fiji Water Authority for 2022-23. These are two of the five largest statutory authorities.	D*
6.2 Revenue outside financial reports	There are no available financial reports of the Fiji Road Authority and the Fiji Water Authority for 2022-23. These are two of the five largest statutory authorities.	D*
6.3 Financial Reports of Extrabudgetary Units	Detailed financial reports containing information on revenues, expenses, assets, liabilities, including long-term obligations were submitted by extra-budgetary entities/units. The trust funds have submitted their reports at the same time as the whole of government statements. However, only some of the sampled statutory authorities representing 12% in terms of expenditures have submitted their reports within nine months in the last completed fiscal year 2022-23.	D

Evidence for score

Table 6: Identification of Extrabudgetary Operations (Last completed fiscal year)

Existence of extrabudgetary operations	Within budget documents (Y/N)	Within central government financial reports (Y/N)	Financial reporting to government (Y/N)	Any additional off-budget elements (describe/N)
Budgetary Operations				
1. Budgetary Central Government	Y	Y	Y	Trust fund accounts
2. Development Partners Funding	Y= Most	Y	Y	Trust fund accounts
3. Extrabudgetary Operations				
Trust Fund Accounts	N	Y	Y	All are outside the budget
Statutory Authorities (top 5)				
Fiji Roads Authority	Y- only for the grants from national government	N	Y based on 2021-22 report No data available for 2022-23	No data available for 2022-23
Water Authority of Fiji	Y- only for the grants from national government	N	Y based on 2021-22 report No data available for 2022-23	All other No data available for 2022-23
Fiji Revenue and Customs Services	Y- only for the grants from national government	N	Y based on 2022-23 report	All other minor revenues and expenditures
Civil Aviation Authority	Y- only for the grants from national government	N	Y based on 2022-23 report	All other minor revenues and expenditures
Land Transportation Authority	Y- only for the grants from national government	N	Y based on 2022-23 report	All other minor revenues and expenditures

Data source: 2023-24 budget estimates document; 2023-24 whole of government financial statements (draft); Copy of latest audited financial statements of statutory authorities; Information provided by the Treasury and the Office of the Auditor General.

The basis of the assessment is the latest available draft of the whole of government report for 2023-24, and the latest available report of statutory authorities.

Budgetary operations

The coverage of the consolidated annual financial statements reflects mainly that of the national budget framework. These include the revenues and expenditures of line ministries, the independent offices, and grants to statutory authorities, public enterprises, and municipal councils. Donor funds provided to budgetary central government and the respective expenditures including payments directly made by the donors, are also integrated in the budget and in the financial report.

The consolidated report of the central government integrates only the actual grants/transfers from the national government to the statutory authorities.

Extra-budgetary operations

There are two types of extra-budgetary operations of the Fiji central government. One is the Trust Fund, and the other ones are the statutory authorities.

Trust Fund Accounts of line ministries

The Fiji Financial Management Act allows trust moneys to be maintained in separate bank accounts outside of the Consolidated Fund. All trust fund accounts are recorded into the FMIS by the administering agencies, and integrated by the Treasury Division, MoF, into the consolidated financial report. The receipts, payments, and balances of trust funds are captured in the FMIS, and in the consolidated report. Their details are disclosed in the notes to the financial statements of administering agencies. A summary of the Trust Fund accounts for 2022-23 provided by the Treasury Division shows a total outstanding balance of FJ\$246.8million for 56 accounts.

Examples of the trust accounts are:

- Bidders' performance bonds or deposits that are required to be returned once the bidding process has been completed.
- Fees and other receipts collected by an agency that can be used for a specific program pursuant to a special law (such as the Environment Trust Fund);
- Donations received for a specific purpose or project (such as for disaster response, or partnership for the upgrading of a hospital);
- Trading and Manufacturing Activities (TMAs)⁴ which generate revenues that are deposited into a TMA trust account and can be used for a social cause; and
- A few external funding from donors for specific one-off activities as agreed with the government.

Statutory Authorities

Statutory authorities are government bodies that were created under specific legislations, with specific powers and functions that are not commercial in nature, but with minor revenue generation to augment the support from the national government.

On the basis of the budget document, this assessment has identified a total of 35 statutory authorities. However, for purposes of the PEFA assessment of this indicator, the five (5) largest in terms of grants from the national government were used as samples. These sampled statutory authorities showed a total of FJ\$592 million or representing 74% of the total budgeted grants to statutory authorities of FJ\$799million during 2023-24.

⁴ As of the time of assessment, all TMA accounts have been terminated and closed (on 31st July 2024).

Statutory authorities submit their acquittal/liquidation reports to the MoF as part of the grant agreement with the national government. Their Boards engage the services of an external auditor, and a copy of their audited financial statements is submitted by the responsible Minister to the Office of the Auditor General and to the Parliament.

Table 6.1 and 6.2: Expenditure and revenue outside financial reports (Last completed fiscal year)

Entity	Type of revenue outside government financial reports (Y/N)	Estimated amount of revenue reported outside government financial reports (Y/N)	Type of expenditure reported outside government financial reports (Y/N)	Estimated amount of expenditure reported outside government financial reports (Y/N)	Evidence and reporting (Y/N)
Budgetary units					
1. Budgetary Central Government	None	None	None	None	Y= 2022-23 FS
2. Development Partners Funding	None	None	None	None	Y= 2022-23 FS
3. Extrabudgetary units					
3.1 Trust Accounts	Donations Sale of goods and services Interest income	None	Operating expenditures	None	Y=2022-23 FS
3.2 Statutory Authorities					
Fiji Roads Authority		0	Employees-related, maintenance and other expenditure Depreciation	24,443,011 estimate based on 2021-22 report	Y=latest FS 2021-22 No data available for 2022-23
Water Authority of Fiji	Other operating income	967,078	Maintenance and other operating expenses	0 estimate based on 2021-22 report	Y=latest FS 2021-22 No data available for 2022-23
Fiji Revenue and Customs Services	Fees and charges Interest and other income	15,271,066	Employees-related, maintenance and other expenditure Depreciation	4,864,182	Y=latest FS 2022-23
Land Transportation Authority	Fees collected but deposited to the Consolidated Fund	0	Employees-related, maintenance and other expenditure	680,917	Y=latest FS 2022-23
Civil Aviation Authority	Other operating income	6,399,791	Employees-related, maintenance and other expenditure	6,999,199	Y=latest FS 2023
Total Statutory Authorities (estimates 2023-24)		22,637,935		36,987,309	
Total BCG 2023-24		3,646,167,000		4,093,786,000	
% to total BCG		0.6%		0.9%	

Data source: 2023-24 whole of government financial statements; Copy of the latest financial statements of the statutory authorities; Information provided by the Treasury; data used for PI 1 and 3.

Note: The estimated revenue and expenditure outside of the consolidated financial report exclude that of government grants received and spent.

The latest financial statements of the national government were used as reference on the nature/types as well as amounts of revenues and expenditures that were reported outside of the consolidated government report.

Only three (FRCS, CAA, and LTA) of the five statutory authorities representing 12% (this is an estimate assuming the 2021-22 data of the FRA and FWA are the same for 2022-23) of the sampled extra-budgetary operations (Trust Funds and Statutory Authorities) in terms of total expenses have available reports for 2022-23, the last completed fiscal year.

In the financial statements of these three statutory authorities, the government operating grants were reported as their main revenues, while the capital grants were treated as deferred income and amortized annually. They have other minor income such as fees and charges, interest, and investment income. Their expenses include utilities, maintenance, depreciation, and other operating expenses. Their financial statements also include financial and non-financial assets, and liabilities, including long-term obligations, and contingent liabilities.

The rest (FRA and FWA) representing bigger share in the expenditures have available financial statements only as of 2021-22. There are no data available for these statutory authorities 2022-23. In the absence of such data, specific rating could not be made.

Table 6.3: Financial reports of extrabudgetary units (Last completed fiscal year)

Name of extrabudgetary unit	Date annual report received by CG	Content of annual financial report (Y/N):			Expenditure as a percentage of total <i>(or sampled)</i> extrabudgetary unit expenditure (estimated)
		Expenditures and revenues by economic classification	Financial and non-financial assets and liabilities	Guarantees and long-term obligations	
3.1 Trust Fund Account	2022-23 reports submitted within six months- The same date as the budget sector agency	Y- Payments and receipts and details	Y- balances are reported as Trust Liability	N/A	20%
3.2 Statutory Authorities					80%
Fiji Roads Authority	2021-22 report submitted March 28, 2023; 2022-23 report submitted but not yet tabled*	No data available for 2022-23	No data available for 2022-23	No data available for 2022-23	65% based on 2021-22
Water Authority of Fiji	2021-22 submitted May 5, 2024; 2022-23 report submitted but not yet tabled*	Y for 2021-22 No data available for 2022-23	Y for 2021-22 No data available for 2022-23	Y for 2021-22 No data available for 2022-23	23% based on 2021-22
Fiji Revenue and Customs Services	2022-23 submitted July 25, 2024	Y	Y	Y	7%

Land Transportation Authority	2022-23 submitted July 2024	Y	Y	Y	4%
Civil Aviation Authority	January to December 2023 submitted June 20, 2024	Y	Y	Y	1%
Total for sampled statutory authorities					100%
Total for sampled extra-budgetary operations					100%

Data source: Trust- Funds- Information provided by the Treasury; Latest audited financial statements provided by the statutory authorities.

Note: *The audited financial statements are yet to be tabled by the responsible Minister to the Parliament, hence not made public yet.

For dimension 6.3, the reference of timing used is the submission of the 2022-23 financial statements, as the 2023-24 statements are not yet due as per the legislated timing which is nine months after reference period.

Detailed financial reports containing information on revenues, expenses, assets, liabilities, including long-term obligations were submitted by extra-budgetary entities/units to the central government. The Trust Funds have been reported by the Treasury at the same time as the whole of government financial statements.

However, only three of the five statutory authorities representing 12% of the sampled extra-budgetary operations (Trust Funds and Statutory Authorities) in terms of total expenses have submitted their reports within nine months. The rest with larger share in revenues and expenditures have available financial statements only as of 2021-22.

PI-7. Transfers to subnational governments

This indicator assesses the transparency and timeliness of transfers from central government to subnational governments with direct financial relationships to it. It considers the basis for transfers from the assessed government and whether subnational governments receive information on their allocations in time to facilitate budget planning. This covers CG and the subnational governments with direct financial relationships with CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-7. Transfers to subnational governments (M2)		B
7.1 System for allocating transfers	Based on the evidence submitted, the allocation of all transfers to the local councils from the national government for 2023-24 were determined by transparent and rules-based systems.	A
7.2. Timeliness of information on transfers	The process by which subnational governments receive information on their annual transfers is managed through the regular budget calendar of the national government. The budget appropriations were released and communicated to the local government councils only just before the start of the fiscal year.	C

Evidence for score

Fiji is geographically divided into two cities and eleven towns. Each of these subdivisions is governed by a council for policy direction. The municipal councils are regulated by the Ministry of Local Government (MLG). Grants for local councils are administered and coordinated by the Ministry.

Table 7.1: System for allocating transfers (Last completed fiscal year)

Type of transfer		Budget			Actual		
	Source of rules	Amount	% of total	Transparent and rule-based (Y/N)	Amount	% of total	Transparent and rule-based (Y/N)
Operating Grants/Transfers		2,705,000	16%	Y	4,112,109	38%	Y
Waste Collection Subsidy*		2,205,000	13%	Y	3,779,695	35%	Y
Rural Local Authorities*		500,000	3%	Y	332,414	3%	Y
Capital Grants/Transfers		14,405,664	84%	Y	6,644,057	62%	Y
Municipal Master Plan*		0	0%	Y	1,194,434	11%	Y
Municipal Council*		0	0%	Y	126,060	1%	Y
New Savusavu Market		3,882,247	23%	Y	2,864,414	27%	Y
New Nakasi Market		979,930	6%	Y	1,095,740	10%	Y
Preparatory Works Direketi Market		100,000	1%	Y	31,378	0%	Y
Completion of Govind Park- Ba		3,500,000	21%	Y	254,725	2%	Y
Completion of Levuka Market		1,343,487	8%	Y	821,306	8%	Y
Completion of Lautoka Swimming Pool		4,600,000	28%	Y	256,000	2%	Y
Total for the Ministry of Local Government		17,110,664	100%		10,756,166	100%	

Data source: 2023-24 budget estimates; Actual transfers data were provided by the Treasury Division based on FMIS data sets.

Note: *Originally, these had zero budgets, but requests were made and approved during budget execution.

The System

Grants/transfers (operating and capital) to local governments were all conditional and earmarked for specific program or a project. There was no fixed allocation based on a formula as basis for budget allocation among the municipal councils. The national government prescribes general policies and guidelines, and the specific programs and projects planned and budgeted each year come from the national agencies and subnational governments. Instead of a fixed formula, allocation varies from year to year depending on the proposal submitted, and the on the merits of every project proposal- need of the municipality and its constituents; alignment with the national priorities and the national budget framework, and readiness or level of compliance including expenditure absorptive capacity by the implementing local government unit.

Funds are transferred quarterly to municipal councils as grants from the national government following an initial cash forecast and based on spending performance in the subsequent quarters. During budget execution, the municipal councils like other ministries were allowed to change their work plan and may request for a deed of variation. These changes were discussed with the MLG during the monthly monitoring consultations. Based on the spending performance and change of work plan by the councils,

and the results of consultations during monitoring and evaluation, the MLG agreed with the municipal councils to request the MoF for reallocations or virements among the local councils.

This explains the variance of around \$6.3million or -37% between the total original budget (\$17.1million) and the actual transfers (\$10.7million).

The Rules

There were clear expenditure policies, principles, guidelines, and ceilings that were prescribed by the national government. The rules for budget preparation pertain mainly to the Budget Circular (Budget Strategy and Timelines including budget submission templates) which the MoF issued to line ministries. In addition, the MLG has its internal guidelines or checklist including a project management policy for compliance.

The MoF followed a set of policy guidelines in evaluating projects (refer to PI 11) and submitted recommendations to the Minister responsible for finance then to the Cabinet. The Cabinet approved the proposals and endorsed to the Parliament. The approved budget for 2023-24 showed allocation for each of the municipal councils and for what program or project or expenditure.

Fund transfers are governed by a grant agreement between the MLG and each of the local councils. The agreement provides for the submission of acquittal reports as basis for the release. It also allows the ministry to monitor and conduct site inspections.

Under the Financial Management Act, reallocations or redeployments of appropriations, may be allowed, subject to the restrictions provided in the Act.

Transparency

The Budget Circular contained the expenditure policies and principles as well as guidelines in planning and budgeting for programs and projects.

Copy of the Budget Circular and approved Budget Estimates was disseminated to the general public via the MoF website as well as directly to agencies and to the local councils via emails from the MLG.

A copy of the budget proposal submitted by the MLG indicated the baseline, the new projects, and other additional requests, of each municipal council and for what program or project or expenditure.

The written rules were supplemented by individual consultations with the local councils. Information on approved allocations and reallocations was sent through email by the MLG to each of the municipal councils,

Based on the evidence submitted, the allocation of all transfers to the local councils (Sub National Governments – SNGs) from the national government are determined by transparent and rules-based systems.

Table 7.2: Timeliness of information on transfers (Last completed fiscal year)

Type of transfer	Date when advice regarding transfers is received by SNGs	Source of evidence - date of advice on transfers	Date of budget submission to SNG legislature
Operating Grants/Transfers			
Waste Collection Subsidy	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week of July 2023 Approved virements and fund release	Budget Circular Budget announcement Email from MLG Payment date information from Treasury	Budget Proposal- Before March 12, 2023- due date for submission set by the MLG Total Budget appropriations, revised budget plan – August 2023 start of fiscal year

	October, December 2023; April and May 2024		As need arises- to approve request for variation
Rural Local Authorities	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week July 2023 Approved virements and fund release October, December 2023; April and May 2024.	Email from MLG Data provided by the Treasury	Budget Proposal- Before March 12, 2023- due date for submission set by the MLG Total Budget appropriations. revised budget plan - August 2023 start of fiscal year. As need arises- to approve request for variation.
Capital Grants/Transfers			
Municipal Master Plan	Approved virement and fund releases Approved virements and fund release October, December 2023; April and May 2024	Email from MLG Data provided by the Treasury	Budget Proposal- Before March 12, 2023 Total Budget appropriations, revised budget plan- August 2023 start of fiscal year As need arises- to approve request for variation
Municipal Council	Approved virement- Approved virements and fund release October, December 2023; April and May 2024	Email from MLG Data provided by the Treasury	Budget Proposal- Before March 12, 2023 Total Budget appropriations, revised budget plan- August 2023 start of fiscal year As need arises- to approve request for variation
New Savusavu Market	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week July 2023 Approved virements and fund release October, December 2023; April and May 2024	Budget Circular Budget announcement Email from MLG- July 31, 2023 Payment date information from Treasury	Budget Proposal- Before March 12, 2023 Total Budget appropriations, revised budget- August 2023 start of fiscal year As need arises- to approve request for variation
New Nakasi Market	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- end July 2023 Approved virements and fund release October, December 2023; April and May 2024	Budget Circular Budget announcement Email from MLG- July 31, 2023 Payment date information from Treasury	Budget Proposal- Before March 12, 2023- Total Budget appropriations. revised budget - August 2023 start of fiscal year As need arises- to approve request for variation
Preparatory Works Direketi Market	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week July 2023 Approved virements and fund release October, December 2023; April and May 2024	Budget Circular Budget announcement Email from MLG- July 31, 2023 Payment date information from Treasury	Budget Proposal- Before March 12, 2023- Total Budget appropriations, revised budget - August 2023 start of fiscal year As need arises- to approve request for variation
Completion of Govind Park- Ba	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week July 2023 Approved virements and fund release	Budget Circular Budget announcement Email from MLG- July 31, 2023 Payment date information from Treasury	Budget Proposal- Before March 12, 2023- Total Budget appropriations, revised budget - August 2023 start of fiscal year

	October, December 2023; April and May 2024		As need arises- to approve request for variation
Completion of Lavuka Market	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week July 2023 Approved virements and fund release October, December 2023; April and May 2024	Budget Circular Budget announcement Email from MLG- July 31, 2023 Payment date information from Treasury	Budget Proposal- Before March 12, 2023 Total Budget appropriations, revised budget - August 2023 start of fiscal year As need arises- to approve request for variation
Completion of Lautoka Swimming Pool	Initially through the budget ceiling – February 2023; Approved budget- upon approval by Parliament- last week July 2023 Approved virements and fund release October, December 2023; April and May 2024	Budget Circular Budget announcement Email from MLG- July 31, 2023 Payment date information from Treasury	Baseline budget- Before March 12, 2023- due date for submission set by the MLG Total Budget appropriations, revised budget - August 2023 start of fiscal year As need arises- to approve request for variation

Data source: Budget Circular- Date of receipt of the baseline budget ceiling; Emails from the MLG; Budget announcement- date of final budget approval; Treasury fund transfers- date of actual transfers.

Effective 2020, the local councils have aligned their fiscal year to that of the national government which is August to July. Since that time, their planning and budget preparation have followed that of the national government.

Like any of the MLG cost centers, the municipal councils are mainstreamed into the different stages of the budget cycle within the MLG which follows that of the national government processes and timelines.

Initial Information on Approved Budget

The national budget circular was issued on February 16, 2023. At that time, the MLG, like other ministries, was given a baseline budget ceiling as a basis for budget allocation among the different programs, projects and cost centers. The local councils were required to submit their proposals through the MLG by March 12. The budget was approved in June 2024. However, they were able to receive the information through the grant agreement emailed to them by the MLG only end of July just before the start of the fiscal year.

Budget Reallocation/Deed of Variations

During budget execution, each municipal council requested for either a change of work program, or additional funding. Approval from the MLG was sent to the requesting local government unit on different occasions.

Information on Actual Transfers

Based on information from the Treasury Division, actual funding releases for the specific projects were issued to local councils at the start of every quarter as soon as acquittal reports for the previous quarter's spending have been submitted. However, the release of the funding allocations for the common programs such as the Waste Collection Subsidy and the Municipal Master Plan were released at a later date starting November 2023. Likewise, there were reallocations approved during the year and which were also released at a later date.

The process by which subnational governments receive information on their annual transfers is managed through the regular budget calendar, which is generally adhered to and provides information for subnational governments. However, the approved budget was communicated only just before the

start of the fiscal year.

PI-8. Performance information for service delivery

This indicator examines the service delivery performance information in the executive's budget proposal or its supporting documentation and in year-end reports. It determines whether performance audits or evaluations are carried out. It also assesses the extent to which information on resources received by service delivery units is collected and recorded. Coverage is CG for all four dimensions and for PI-8.1, performance indicators and planned outputs and outcomes for the next fiscal year; for PI-8.2, outputs and outcomes of the last completed fiscal year; and for PI-8.3 and 8.4, last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-8. Performance information for service delivery (M2)		D+
8.1. Performance plans for service delivery	Information on planned performance is included in ministry/agency costed operational plans. Only the Ministry of Women, Children and Social Protection had published a costed operational plan (setting outcome objectives, outputs, activities and performance indicators) for 2024-25 at the time of the assessment.	D
8.2. Performance achieved for service delivery	Information on actual performance is required to be included in ministry/agency annual reports. However, no annual reports for 2023-24 have been prepared or published.	D
8.3. Resources received by service delivery units	Information on resources received by service delivery units is provided for one large Ministry. The Ministry of Health and Medical Services presents budget allocations, revised estimates and previous year's actual allocations for hospitals in the annual budget estimates. The MoH also maintains records of budget allocations and actual expenditures of hospitals and regional health sub-divisions (that manage local health centers and nursing stations).	B
8.4. Performance evaluation for service delivery	No independent evaluations have been performance or commissioned by Ministries in the last three years. The Office of the Auditor General has conducted three performance audits in the last three years, but these are for ministries that represent only 5% of service delivery by value.	D

Evidence for score

Budget documentation submitted to the legislature (i.e., annual budget estimates and the budget supplement) provide minimal information on planned outputs and outcomes of programs or services financed through the budget.

Under the Fiji budget planning framework, ministries are required to prepare strategic plans, corporate plans, costed operational plans and annual reports. Ministries and agencies are required to submit their costed operational plans with their budget submissions to the Ministry of Finance and publish final versions of the plans following parliament's approval of the annual budget.

The costed operational plans present program performance information and cost information although there doesn't appear to be a standard format. The plans present, variously, ministry goals, strategic priorities, outcomes, planned activities, outputs, along with key performance indicators and/or performance targets. The plans include a column on budget, but the level of detail varies across ministries. The plans are intended be consistent with budget allocations, but performance plans and detailed costing do not appear to be linked directly to budget level programs (as set out in the budget estimates). For example, the 2024-25 Costed Operational Plan for the Ministry of Women, Children and Social Protection includes a high-level summary table showing aggregate resources for each of its three programs and six activities as shown in the 2024-25 Budget Estimates. However, the performance information presented is by strategic priority, outcome, output, planned activities, Key Performance Indicators (KPIs) and targets. It also includes a column for budget estimated cost at the output level. There is no mapping from the outcomes, outputs, or activities to the program level budget.

Actual performance information of ministries and agencies is presented in ministry/agency annual reports. The format for these reports varies between ministries but generally includes information on activities and highlights key performance metrics including, variously, outputs and/or outcomes.

Tables 8, 8.1 and 8.2 are intended to present data from a large sample of service delivery ministries representing 63 percent of total expenditure for 2024-25 (excluding debt interest). The ministries were selected for the sample as they include most public services delivered by Government. However, only one ministry – Ministry of Women, Children and Social Protection – had published a costed operational plan (setting outcome objectives, outputs, activities and performance indicators) for 2024-25 at the time of the assessment. However, these are not aligned with ‘program’ as specified in the budget estimates. The most recent published annual reports for the sample ministries – Ministry of Agriculture and Ministry of Lands and Minerals - were published in 2021-22. Dates of the most recent published costed operational plans and annual reports for the sample largest service delivery agencies is presented for information in tables 8.1 and 8.2.

For PI-8.3 the two largest frontline service delivery ministries, Education and Health were selected, representing 45 percent of service delivery expenditure. For the Ministry of Health, the 2024-25 Budget Estimates present budget allocations (the sole source of funds), revised current allocations and previous year actual expenditures for the five main hospitals delivering frontline health services. It also shows the budget allocations for the four regional divisional health services. Internal reports present information on resources allocated and detailed actual expenditures (monthly and as at 31 July) and further disaggregation to local health sub-divisions which (for economies of scale) manage resources for individual health care centers and nursing stations within their location. Budget allocations for the Ministry of Education (MoE) highlight aggregate resources allocated to primary, secondary, and tertiary education programs, but there is no disaggregation. Most of primary and secondary schools are non-government owned (usually by religious or community organizations) although all teaching staff are government employees. The MoE provided no evidence of financial reports setting out budgets and actual allocations at the school level.

There is no evidence that any ministries have undertaken or commissioned independent program evaluation in the last three fiscal years. The Office of the Auditor General (OAG) has undertaken only three performance audits in the last three financial years: (i) Crown Land Lease System; (ii) Monitoring and Implementation of the Sugarcane Development and Farmers Assistance Program; and (iii) Licensing and Monitoring of River Gravel and Sand Extraction. However, these three audits account for only 5% of service delivery expenditure. The OAG advise that their focus in recent years has been on eliminating the backlog of financial audits but that they plan to increase their performance audit activity going forward. Five performance audits are planned for 2024-25.

Table 8: Service delivery agencies (largest)

Name of service delivery ministry or other unit as appropriate	Budget 2024-25.			Most recent published	
	Total (amount \$'000)	Service delivery (1) (amount \$'000)	Percentage of service delivery (2) (%)	Operational Plan	Annual Report
Ministry of Education	627,550.9	627550.9	26.2%	None published	2020-21
Ministry of Public Works, Meteorological Services and Transport	721,444.7	632842.0	26.4%	None published	2018-19
Ministry of Health and Medical Services	451,779.3	451779.3	18.9%	2023-24	2020-21
Ministry of Agriculture and Waterways	101,201.7	82707.8	3.5%	2022-23	2021-22

Ministry of Children, Women and Social Protection	199,506.5	190255.5	8.0%	2024-25	2020-21
Ministry of Civil Service and Public Enterprises	81,019.4	59,544.4	2.5%	None published	2020-21
Ministry of Trade, Cooperatives, Micro Small Medium Enterprises and Communications	106,614.6	98,696.2	4.1%	2020-21	2018-19
Fiji Police Force	226,830.1	213,838.2	8.9%	None published	2019-20
Ministry of Lands and Mineral Resources	36,539.0	35,772.0	1.5%	2022-23	2021-22
Total service delivery of selected ministries	2,552,486.2	2,392,986.3			

Data source: [Budget Estimates 2024-25](#); [Ministry of Women, Children and Social Protection: 2024-25 Costed Operational Plan](#); [Latest Ministry/Agency Costed Operational Plans](#), [Ministry/Agency Annual Reports](#).

(1) Indicative estimate only

(2) Of the sample agencies (Note: No other agency not included in the sample has published their 2024-25 costed operational plan or 2023-24 annual report at the time of the assessment).

Table 8.1: Performance plans of the largest service delivery agencies (next fiscal year)

Name of service delivery ministry or other unit as appropriate	Program objectives specified (Y/N)	Key performance indicator (Y/N)	Planned performance	
			Planned outputs (Y/N)	Planned outcomes (Y/N)
Ministry of Education	NA	NA	NA	NA
Ministry of Health and Medical Services	NA	NA	NA	NA
Ministry of Agriculture and Waterways	NP	NP	NP	NP
Ministry of Children, Women and Social Protection	N	Y	Y	Y
Ministry of Civil Service and Public Enterprises	NP	NP	NP	NP
Ministry of Trade, Cooperatives, Micro Small Medium Enterprises and Communications	NA	NA	NA	NA
Fiji Police Force	NA	NA	NA	NA

Data source: [Ministry of Women, Children and Social Protection: 2024-25 Costed Operational Plan](#);

NA = Not available -performance plans for 2024-25 have not been published for those ministries.

NP = Not Published: (Copies of the Costed Operational Plans for the Ministry of Agriculture and Ministry of Civil Service were provided to the assessment team but these have not been published.)

Table 8.2: Performance reporting of the largest service delivery agencies (Last completed fiscal year)

Name of service delivery agency ministry or other unit as appropriate	Data on actual outputs produced (Y/N)	Data on actual outcomes achieved (Y/N)	Information on activities undertaken (if no outputs or outcomes) (Y/N)
Ministry of Education	NA	NA	NA
Ministry of Health and Medical Services	NA	NA	NA
Ministry of Agriculture and Waterways	NA	NA	NA
Ministry of Children, Women and Social Protection	NA	NA	NA
Ministry of Civil Service and Public Enterprises	NA	NA	NA
Ministry of Trade, Cooperatives, Micro Small Medium Enterprises and Communications	NA	NA	NA
Fiji Police Force	NA	NA	NA

Data source: NA = Not available. Annual reports for 2023-24 have not been published for any ministry or agency.

Table 8.3: Resources received by service delivery units (Last three completed fiscal years)

Ministry or other unit as appropriate	Annual estimates by service delivery unit (Y/N)	Actual resources received by service delivery unit (Y/N)	Annual report prepared (Y/N)
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Ministry of Health and Medical Services	Y	Y	Y
Ministry of Education	N	N	N

Data source: *Budget Estimates 2024-25; Ministry of Health Budget Update Report as of 31 July, 2024 (internal document)*

Table 8.4: Performance evaluation for service delivery (Last three completed fiscal years)

Ministry or other unit as appropriate	Percentage of service delivery ministries or units (%)	Program or service evaluated within last 3 years (Y/N)	Type of evaluation	Independent (Y/N)	Efficiency assessed (Y/N)	Effectiveness assessed (Y/N)
Ministry of Agriculture	3.5%	Y (2021-22)	Performance Audit: Monitoring and Implementation of the Sugarcane Development and Farmers Assistance Program	Y	Y	Y
Ministry of Lands and Minerals	1.5%	Y (2023-24)	Performance Audit: Crown Land Lease System	Y	Y	Y
		Y (2021-22)	Performance Audit: Licensing and Monitoring of River Gravel and Sand Extraction	Y	Y	Y

Data source: *OAG Performance Audit Reports. Meetings with MoF and spending ministries staff.*

PI-9. Public access to fiscal information

This indicator assesses the comprehensiveness of fiscal information available to the public based on nine specified elements (five basic and four additional elements) of information to which public access is considered critical. Coverage is BCG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-9. Public access to fiscal information		B
9.1 Public access to fiscal information	The government made available four basic elements and at least two additional key elements of fiscal information within prescribed timeframe	B

Evidence for score

Table 9.1: Budget documentation (Last completed fiscal year)

Element/Requirement	Criteria met (Y/N)	Within timeframe (Y/N)	Explanation (including specification of the actual timeframe)	Source of evidence
Basic elements				
1 Annual executive budget proposal documentation. A complete set of executive budget proposal documents (as presented by the country in PI-5) is available to the public within one week of the executive's submission of them to the legislature.	Y	Y	The 2023-24 budget document was submitted to Parliament on June 30, 2024. At that time, the MOF website was undergoing a revamp during June to July 2024.	Explanation by the Budget Division; https://www.parliament.gov.fj/wp-content/uploa

				But a copy was published by the Fiji Parliament within June 30 2024. Publication was made by uploading the electronic copy in the Parliament website.	ds/2023/06/2023-2024_Budget_Supplement_B5.pdf
2	Enacted budget. The annual budget law approved by the legislature is publicized within two weeks of passage of the law.	Y	Y	The budget was approved on July 13, 2024. It was published around July 20, 2024	MOF website https://www.finance.gov.fj/wp-content/uploads/2023/12/budget-2023.pdf
3	In-year budget execution reports. The reports are routinely made available to the public within one month of their issuance, as assessed in PI- 28.	Y	Y	The quarterly fiscal performance reports were published within one month	MOF website https://www.finance.gov.fj/wp-content/uploads/2024/09/FY2023-2024_Fiscal-Performance.pdf
4	Annual budget execution report. The report is made available to the public within six months of the fiscal year's end.	Y	Y	The 4 th quarter cumulative budget execution (preliminary) was published on August 24, 2024	https://www.finance.gov.fj/wp-content/uploads/2024/09/FY2023-2024_Fiscal-Performance.pdf
5	Audited annual financial report, incorporating or accompanied by the external auditor's report, as assessed in PI-29 and PI-30. The reports are made available to the public within twelve months of the fiscal year's end.	Y	N	The latest published audited financial report was for 2018-19.	https://www.finance.gov.fj/annual-financial-statement/
Additional elements					
6	Prebudget statement. The broad parameters for the executive budget proposal regarding expenditure, planned revenue, and debt is made available to the public at least four months before the start of the fiscal year.	Y	N	The broad parameters were part of the Medium-Term Fiscal Strategy. The 2024-25 MTFS was published only February 2025. The Budget Supplement that contains the fiscal parameters is also part of the budget document published only June 30, 2024.	https://www.finance.gov.fj/wp-content/uploads/2025/02/Fiscal-Strategy-FY2024-2025_Final-1.pdf /
7	Other external audit reports. All nonconfidential reports on central government consolidated operations are made available to the public within six months of submission.	Y	Y	Other audit reports published in the Parliament website include: a) 2021-22 audit of off budget entities that include statutory authorities submitted March 30 and published April 2024; (b) 2022 audit report on the economic services sector submitted on November 2023 and	https://www.parliament.gov.fj/wp-content/uploads/2023/11/124-Report-of-the-Auditor-General-of-the-Republic-of-Fiji-%E2%80%93-2022-Audit-Report-on-

				published by Parliament on November 2023	Economic-Sector.pdf
8	Summary of the budget proposal. A clear, simple summary of the executive budget proposal or the enacted budget accessible to the nonbudget experts, often referred to as a "citizens' budget," and where appropriate translated into the most commonly spoken local language, is publicly available within two weeks of the executive budget proposal's submission to the legislature and within one month of the budget's approval.	Y	Y	The 2024-25 Citizen's Guide to the National Budget was published on August 2024 within one month of budget approval.	https://www.finance.gov.fj/wp-content/uploads/2024/08/CitizensGuide-to-FY2024-2025-National-Budget.pdf
9	Macroeconomic forecasts. The forecasts, as assessed in PI-14.1, are available within one week of their endorsement.	Y	Y	The Budget Supplement that contains the fiscal forecasts is published as part of the budget document.	https://www.finance.gov.fj/wp-content/uploads/2023/09/2023-2024_Budget_Supplement_B5.pdf

PILLAR THREE: Management of Assets and Liabilities

Pillar three includes four indicators which assess the effectiveness of the government's management of assets and liabilities and the extent to which this ensures that public investments provide value for money, assets are recorded and managed, fiscal risks are identified, and debts and guarantees are prudently planned, approved, and monitored.

Overall performance

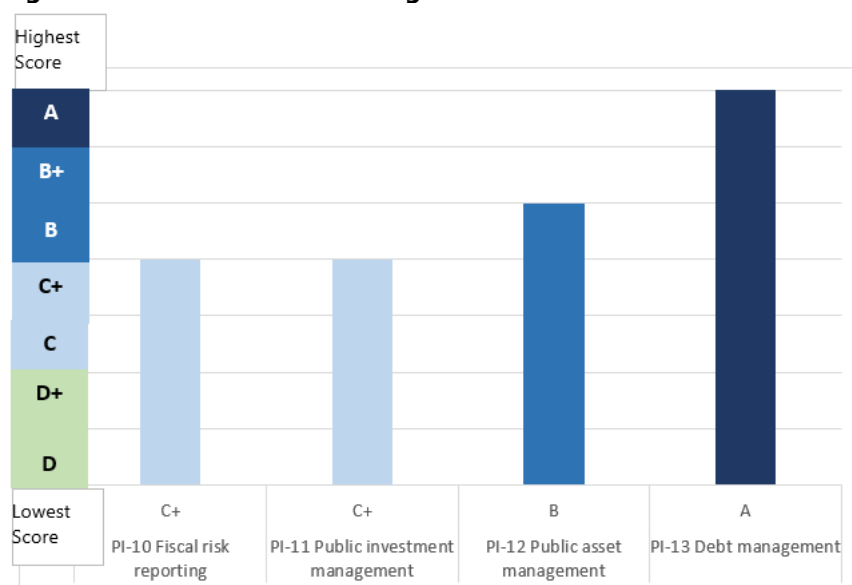
Fiscal risk reporting benefits from systematic reporting by public corporations, most of which publish audited financial statements within nine months of their fiscal year-end. The Economic and Fiscal Update Supplement to the 2024-25 Budget (Budget Supplement) also includes useful information on the performance of the government investments in public corporations.

The subnational governments (i.e., municipal councils) face significant delays in submitting audited financial statements, which weakens fiscal oversight at the local level. The inclusion of fiscal risk assessments in the Budget Supplement, along with the application of the IMF's Fiscal Risk Analysis Tool (FRAT), reflects a structured approach to identifying macroeconomic and environmental risks at a national level. Information on contingent liabilities is well covered, including an estimate of some implicit contingent liabilities. Contingent liabilities of current PPPs are insignificant but would nevertheless be helpful for these to be reported in future. The lack of a central government register for non-financial assets also weakens oversight, with asset registers decentralized across ministries. Procedures for asset disposal are well established and information on significant disposals is included in annual reports submitted to parliament. It is also noted that the financial statements balance sheet does not include fixed assets (PI-29).

While a central entity prioritizes major investment projects based on published guidelines, the lack of detailed national guidelines for economic analysis and the inconsistent application of such analyses indicate room for improvement in ensuring value for money. Furthermore, although budget documents include multi-year estimates of investment projects, they omit maintenance costs, which understates full costs of projects and impacts on the planning and sustainability of investments. Quarterly and annual monitoring of project costs and physical progress exists, but the lack of publication of these findings reduces accountability and public oversight.

The government has established a comprehensive debt management information system, ensuring accurate, up-to-date records and regular reconciliation. Reporting is frequent and detailed, including quarterly and annual reports on debt stock, service, and operations. The annual approval of borrowing and guarantees by parliament provides a solid legal framework, while the Debt Management Strategy sets clear objectives and aligns with broader fiscal policies.

Figure 3.3. PILLAR THREE: Management of Assets and Liabilities



Recent and ongoing reform activity

Recent reforms from the PFMIP have included the preparation of a medium-term debt management strategy (MTDS) and the transition from the CS-DRMS to the CS-Meridian debt management system.

The PFMIP progress report notes that asset management strategies have now been formulated by all ministries and departments. It also states plans are in place to establish a National Asset Register, which will be integrated with the new FMIS system to strengthen asset tracking and management across the government.

The Guidelines for Use in the Preparation, Appraisal and Approval of Projects under the Public Sector Investment Programme (PSIP) have been approved, beginning with the ten pilot ministries/entities in the FY2024-2025. The PFMIP also includes planned introduction of mandatory quarterly project reports and annual end-of-year project reports. While this is still in progress, the PFMIP progress report notes that project implementation is already being monitored on a monthly basis. Reporting is facilitated through a system-generated Capital Projects Status Log, which is provided to the Permanent Secretary for review. Updates are managed using the Electronic Database System (PMWEB), where progress reports are uploaded into the document manager. Ministries and departments are granted access to view updates on their respective projects, promoting real-time visibility and accountability. These measures strengthen oversight of capital projects and ensure that stakeholders can monitor progress effectively, improving the overall transparency of public financial management processes.

PI-10: Fiscal risk reporting

This indicator measures the extent to which fiscal risks to central government are reported, including risks associated with subnational governments, public corporations, and contingent liabilities from the central government's own programs and activities, including extra-budgetary units. For the last completed fiscal year, this indicator covers CG-controlled public corporations for PI-10.1, subnational government entities that have direct fiscal relations with CG for PI-10.2, and CG for PI-10.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-10: Fiscal risk reporting (M2)		C+

10.1. Monitoring of public corporations	Most public corporations publish their annual reports within nine months of the end of the financial year.	C
10.2. Monitoring of subnational governments	All subnational governments are significantly delayed in preparing, submitting for audit, and publishing their annual financial statements.	D
10.3. Contingent liabilities and other fiscal risks	The Annual Debt Report includes a consolidated table of most contingent liabilities by value. The 2024-25 Budget Supplement submitted with the budget also presents a summary table that lists contingent liabilities.	A

Evidence for score

Public corporations in Fiji include 13 wholly owned public enterprises⁵ which are established under the Public Enterprise Act 2019. Under the Act, public enterprises '*must operate on a commercial basis that is efficient and profitable*'. There are also several public corporations established by government (covered by separate legislation) that are majority owned by the Government (including Fiji Airways, Energy Fiji Limited, Fiji Sugar Corporation, and Fiji Development Bank). In addition, the Fiji National Provident Fund is considered a public financial corporation⁶ under GFS (i.e., an institution providing pension services).

Public corporations are required to submit audited annual financial statements to the MoF, which are then tabled in Parliament and published. A sample of the largest public corporations (table 10.1) shows that most Public Corporations (PCs) (by revenue size) publish audited financial statements within 9 months of the end of the relevant⁷ financial year for each entity.

At the subnational government level, municipal governments' annual financial reports are audited by the Office of the Auditor-General. The most recent Auditor-General's report of November 2024 noted that Municipal Councils were significantly behind in their submission of audits. The Auditor-General's report includes a summary of progress in reducing the backlog. Table 10.2 provides the status of audit reports for all municipal councils.

Fiscal Risk is assessed in the 2024-25 Budget Supplement that is submitted to parliament as part of the government's budget proposal. The relevant chapter covers macroeconomic risks, environmental risks (including climate change and climate-induced disasters), government debt risk, contingent liabilities, and state-owned entities. The Budget Supplement also notes that the application of the Fiscal Risk Analysis Tool (FRAT) with a brief report of the outcomes of that analysis. It also identifies the governments loans (lending and on-lending) including to public corporations, Public Rental Board, FRCS MSME Loan Scheme and FRSC-Tertiary Education Loan Scheme as well as on-lending by the Housing Authority and Public Rental Board.

The Budget Supplement includes a table listing and quantifying explicit and implicit contingent liabilities totaling \$1.7bn or 12.7% of GDP. The Debt Management Unit maintains an ongoing contingency register. Contingent liabilities are also presented in the Annual Debt report which is published annually. In addition to a comprehensive list of loan guarantees to state owned public corporations, the Annual Debt report includes a debt portfolio risk assessment, as well as contingent liabilities associated with membership of IBRD, ADB and AIIB totaling \$587.2m (as of July 2024). The report also identifies \$55.4m of implicit contingent liabilities related to provincial & municipal councils' debt and FRCS litigation claims. The government has entered into PPPs in health (with a budget allocation of \$50m in 2023-24 and \$90m in 2024-25) and housing (\$2m and \$2m respectively). The health PPP has a minimum

⁵ Airports Fiji Limited; Fijian Broadcasting Corporation Pte Limited; Fiji Hardwood Corporation Pte Limited; Fiji Public Trustee Corporation Pte Limited; Food Processors (Fiji) Pte Ltd; Post Fiji Pte Limited (PFL) ; Fiji Rice Pte Limited (FRL); Unit Trust of Fiji (Management) Limited; Pacific Fishing Company Pte Limited; Yaqara Pastoral Company Pte Ltd; Biosecurity Authority of Fiji; Fiji Meats Industry Board; Fiji Coconut Millers Pte Limited

⁶ GFS 2014 para 2.115

⁷ Financial year end varies across public corporations.

obligation of \$52m. The contingent liabilities (CLs) of the PPPs are not considered significant (around 3% of total CLs).

Table 10.1: Monitoring of public corporations (Last completed fiscal year)

Public corporations	Total revenue (Amount) \$ million	Percentage of sample public corporations	Date of publication of audited financial report (# months after PC EOFY)	Date financial report submitted to government (# months after PC EOFY)	Financial report includes revenue, expenditure, assets, liabilities and long-term obligations (Y/N)	Consolidated report published annually (Y/N)
Fiji Development Bank	115.9	3.4%	15 April 2024 (10 months)	7 Nov 2023 (5 months)	Y	N
Fiji Sugar Corporation	209.7	6.2%	21 Oct 2024 (4 months)	3 Sept 2024 (3 months)	Y	
Energy Fiji Limited	387.0	11.5%	12 July 2024 (7months)	14 May 2024 (5 months)	Y	
Fiji Airways	1,840.3	54.5%	9 Aug2024 (8 months)	9 May 2024 (5 months)	Y	
Fiji National Provident Fund	779.1	23.1%	24 Nov 2023 (5 months)	1 Nov 2023 (4 months)	Y	
Fiji Airports Limited	28.0	0.8%	NA (Most recent report 2021)	NA	NA	
Fiji Broadcasting Corporation	17.5	0.5%	NA (Most recent report 2022)	NA	NA	
Total	3,377.5					

Data source: Fiji Development Bank Annual Report 2023; Fiji Sugar Corporation Annual Report 2024; Fiji Airways Annual Report 2023; Energy Fiji Limited Annual Report 2023; FNFP Annual Report 2023; MoF correspondence evidencing submission of annual financial statement .

Table 10.2: Monitoring of subnational governments (Last completed fiscal year)

Subnational government	2023/24 Financial Statement Prepared Y/N	Most recent AFS (submitted for audit)	Date of publication of audited financial report	Date financial report submitted to government	Consolidated report published annually (Y/N)
Sigatoka	N	2019-20	NA	NA	No
Rakiraki	N	2022-23	NA	NA	
Nadi	N	2017-18	NA	NA	
Tavua	N	2020-21	NA	NA	
Suva	N	2020-21	NA	NA	
Nausori	N	2019-20	NA	NA	
Lami	N	2019-20	NA	NA	
Nasinu	N	2019-20	NA	NA	
Ba	N	2019-20	NA	NA	
Lautoka	N	2018-19	NA	NA	
Labasa	N	2019-20	NA	NA	
Savusavu	N	2019-20	NA	NA	
Levuka	N	2017-18	NA	NA	

Data source: Audit Report on Municipal Councils, November 2024.

Table 10.3: Contingent liabilities and fiscal risk (Last completed fiscal year)

Coverage	Loan guarantees (Central Government) \$ millions	State insurance scheme	PPPs \$ million	Included in financial report (Y/N)	Date published	Consolidated report (Y/N)
	(Quantify or "NE" if no evidence)					
Budgetary Units	\$642.6	NA	52.0	Y	28 June 2024 (2024/25 Budget Supplement	N

Data source: *Economic and Fiscal Update Supplement to the 2024-25 Budget*; [Annual Debt Report 2023-24](#); MoF Contingent Liability register (internal document)

PI-11 Public investment management

This indicator assesses the economic appraisal, selection, costing, and monitoring of public investment projects by the government. It also assesses the extent to which the government publishes information on the progress of the project, with an emphasis on the largest and most significant projects. Coverage is CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-11 Public investment management (M2)		C+
11.1 Economic analysis of investment proposals	Detailed economic analysis were conducted for only some of the investment projects.	C
11.2 Investment project selection	Prior to their inclusion in the budget, all major investment projects were prioritized by a central entity on the basis of the published guidelines.	A
11.3 Investment project costing	The budget document presents only the budget year (2023-24) for individual projects Total project costs and maintenance costs are not indicated in the estimates.	D
11.4 Investment project monitoring	There is evidence of a quarterly and annual monitoring of project cost and the physical progress of approved programs and projects, but not published.	C

Evidence for score

In the government of Fiji, public investments planning is integrated with the annual national planning and budgeting process, regardless of the funding source.

For purposes of PEFA assessment, the major investment proposals identified in the 2023-24 budget document, were those with total cost of more than FJ\$43million or 1% of the total national government budget of FJ\$4.3billion:

Table 11: Major investment proposals (Last completed fiscal year)

Major investment projects (>1% of BCG expenditure)	Total investment cost of project	As a % of the total cost of all listed projects
Maintenance of Land Transport Network- Capital Grant to Fiji Road Authority	356,303,902	57%
Water Programme- Capital Grant to the Water Authority of Fiji	122,145,867	20%
Higher Education Level 7 (Scholarship through the Tertiary Scholarships and Loan Services)	49,367,642	8%
Back to School Support by Ministry of Finance)	43,561,000	7%
Transport Infrastructure Investment Sector Project	52,598,966	8%
Total/Coverage	623,977,377	100%

Data source: 2023-24 Budget Document.

Note: Major investment includes only projects with total budget of more than 1% of total BCG expenditures for 2023-24.

Table 11.1: Economic analysis of investment proposals (Last completed fiscal year)

Major investment projects	Completed (Y/N)	Consistent with national guidelines (Y/N)	Published (Y/N)	Reviewing entity	Is reviewing entity the sponsoring entity (Y/N)
Maintenance of Land Transport Network- Capital Grant to Fiji Road Authority	Y= partial	Y= partial	N	Budget Division; Cabinet Sub-committee	N
Water Programme- Capital Grant to Fiji Road Authority	Y	Y	N	Budget Division; Cabinet Sub-committee	N
Higher Education Level 7	No evidence	No evidence	N	Budget Division; Cabinet Sub-committee	N
Back to School Support	No evidence	No evidence	N	Budget Division; Cabinet Sub-committee	N
Transport Infrastructure Investment Sector Project	Y	Y	Y	Budget Division; Cabinet Sub-committee	N

Data source: List of projects was extracted from the 2023-24 budget document and the FMIS data provided by the Treasury.

Economic analysis of investment proposals

For the 2023-24 budget process, the Budget Division reviewed the proposals on the basis of the justifications provided by the proponent agencies following a budget submission template which was attached to the Budget Circular. This included:

- Project Objectives
- Project Location
- How will ongoing, additional and/or new funding requested contribute to achievement of Agency Outputs and Outcomes?
- This funding will support the achievement of which Sector Output and KPI in the 5-Yr & 20Yr- National Development Plan?
- Identify key performance indicators achieved to date through the project?
- Explain circumstances that led to the need for the project and for its ongoing funding.
- What ongoing preparatory or initial implementation work has been undertaken? Elaborate on state of ongoing preparedness e.g. has land been secured (i.e. lease)? Is construction / implementation to date proceeding satisfactorily? Attach supporting documents.
- Social, Economic, and Environmental Analysis
- Cost Benefit Analysis
- Impact of Climate Change
- Implementation arrangement
- Risk Management

Consultation with the Ministry of Public Works to which the Fiji Roads Authority (FRA) reports to indicated that only the projects (such as the Transport Infrastructure Investment Sector Project—TIISP) where appraisal or feasibility study was funded by donors have undertaken an economic analysis. The TIISP which is funded by the ADB and the World Bank was for specific locations and major road upgrading to a climate resilient design and, has included more details in the project paper compared to the national guidelines. There are sub-project analyses, not just general statements. It does not cover the general maintenance projects. For the maintenance projects, no such rigorous study was undertaken, as these were based on the regular monitoring of the delivery teams within the Ministry of Public Works.

The project proposal was for general road maintenance and repairs and not indicating specific locations. Social and cost benefit analysis were in general statements.

Regarding the Water Authority, the ten-year Master Plan (Water Strategy) provided a detailed economic analysis for the sector such as on climate change impacts, aging infrastructure, environmental impacts, tourist demand, skills shortage, and viability of the financial model. Likewise, they have a Project Appraisal Committee that evaluates the proposals based on a Project Development Framework which considers risks such as climate change and other variable.

There was no information provided on the other projects. These proposals were not published.

Detailed economic analyses were conducted only for some of the listed investment projects.

Table 11.2: Investment project selection (Last completed fiscal year)

Major investment projects	Prioritized by central entity (Y/N)	Consistent with standard selection criteria (Y/N)
Maintenance of Land Transport Network- Capital Grant to Fiji Road Authority	Y	Y
Water Programme	Y	Y
Higher Education Level 7	Y	Y
Back to School Support	Y	Y
Transport Infrastructure Investment Sector Project	Y	Y

Data source: 2023-24 Budget Document; 2023 Budget Circular.

Investment project selection

The Budget Division with inputs from the Strategic Planning Office, in consultation with the sector implementing agencies reviewed the budget proposals first by evaluating compliance with the budget submission template. From the above information and consultations with the agencies, the MoF selected and prioritized projects using a Design List for PSIP that contains the following key criteria:

- Alignment with the Budget Strategy and NDP priorities, including climate priorities and the Sustainable Development Goals
- Readiness of capital projects
- Clear links to the Ministry's Strategic Plan
- Completion of preparatory works, including impact assessment, and stakeholder consultation
- Endorsement from the Budget and Aid Coordinating Committee for aid-funded projects
- On-going projects are evaluated according to resource capacity, while provision for new projects is subject to available fiscal space.

The recommendation of the Budget Division is classified and ranked according to four categories:

- A1- recommended for funding.
- A2- priority but needs for information.
- B- Request to be deferred.
- C- Not in line with priorities.

These are then submitted to the Minister then to the Cabinet for review and approval before they are endorsed for submission to the Parliament.

In its terms of reference, the Cabinet Sub Committee on Budget puts particular emphasis on prioritizing high impact infrastructural development projects.

Prior to their inclusion in the budget, all major investment projects were prioritized by a central entity on the basis of the published guidelines. Hence, the rating is A.

Table 11.3: Investment project costing (Last completed fiscal year)

Major investment projects	Life cycle cost in budget documents (Y/N)	Capital cost breakdown in budget documents (Annual/ multi-year/N)	Recurrent costs included in budget documents (Annual/ multi-year/N)
Maintenance of Land Transport Network- Capital Grant to Fiji Road Authority	N	Annual	N
Water Programme	N	Annual	N
Higher Education Level 7	N	Annual	N
Back to School Support	N	Annual	
Transport Infrastructure Investment Sector Project	N	Annual	N

Data source: 2023-24 Budget Document and budget submission template and samples.

Investment Project Costing

The budget document presents the expenditure summary by budget head and by standard expenditure group for the budget year (2023-24) plus the planned change for the next two years (2024-25, and 2025-26). However, only the budget year estimates for projects are indicated in the budget document. On the other hand, the budget submission by the agency presents the cost estimates for each project for the budget year plus next three years. The total project cost is not however clear in the budget submission template. Estimates of recurrent or non-capital maintenance costs in addition to the capital maintenance for each project were also not clear in the budget proposal.

Table 11.4: Investment project monitoring (Last completed fiscal year)

Major investment project	Total cost (Y/N)	Physical progress (Y/N)	Standard rules and procedures exist (Y/N)	High level of compliance with procedures (Y/N)	Information on total cost and physical progress published annually (Y/N)
Maintenance of Land Transport Network- Capital Grant to Fiji Road Authority	Y	Y	Y	N	N
Water Programme	Y	Y	Y	N	N
Higher Education Level 7	Y	Y	Y	N	N
Back to School Support	Y	Y	Y	N	N
Transport Infrastructure Investment Sector Project (TIISP)	Y	Y	Y	N	N

Data source: Statements from the Budget Division and selected ministries during the consultations on project monitoring in general; sample copy of the Quarterly Program and Project Performance Reports.

Investment Project Monitoring

As required by the MoF, budget sector agencies were required through a memorandum to submit a Quarterly Program and Project Performance Report (QPPR). This report contains an update of the fund utilization rate of the various programs and projects. It also contains a report on the status of project implementation, the key issues and challenges encountered, and actions undertaken. A summary report was also submitted by the MoF to the Cabinet, but not published. The latest report available was for the 4th quarter of 2023-24.

For projects that were budgeted as capital grants, such as the Maintenance of Land Transport Network, the Water Programme, and the TIISP, there is a provision in the Grant Agreement with the responsible ministry, that the implementing agency shall submit quarterly acquittal reports as basis for funding release. With this condition, there was an inherent monitoring of the project cost and progress of fund utilization.

With regard to the monitoring of physical progress, the Ministry of Public Works and the Ministry of Finance confirmed during this assessment that they have conducted onsite inspections as provided in the Grant Agreement.

There is evidence of the quarterly and annual monitoring of project cost, as well as on the physical progress, but not published.

Additional Observation

Effective 2024-25, a much-improved Public Sector Investment Programme (PSIP) was developed and piloted for 11 ministries during the budget planning. A set of comprehensive guidelines were prepared for project appraisal, planning, costing, selection, and prioritization. Recently, guidelines for monitoring and evaluation were also drafted.

PI-12. Public asset management

This indicator assesses the management and monitoring of government assets and the transparency of asset disposal. For the last completed fiscal year, coverage is CG for PI-12.1, BCG for PI-12.2, and both CG and BCG for PI-12.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-12. Public asset management (M2)		B
12.1. Financial asset monitoring	The government maintains records of holdings of all categories of financial assets. All financial assets held by government are also recorded in the annual financial statements which are prepared in accordance with international financial standards. The annual financial statements show the change in value of assets from previous financial year. Records of the cash balances of extrabudgetary units are maintained in quarterly reports and annual financial statements. The 2024-25 Budget Supplement also presents information on the Shares and Portfolio allocations in State-Owned Enterprises as at 31 July 2024. The Budget Supplement also provides data on SOE portfolio performance but there is no reporting of the performance of government loans.	B
12.2. Nonfinancial asset monitoring	The Ministry of Lands and Mineral Resources maintains a national register of state-owned land. There is no central government register of non-financial assets. Asset registers are maintained by relevant ministries and agencies. An annual board of survey is required to be undertaken by officers who are independent of the officer responsible for the custody of the assets but, this is not provided to the legislature or public.	C
12.3. Transparency of asset disposal	The Financial Management Act (FMA) requires financial and non-financial assets, as well as statement of changes in net assets to be included in the annual financial statements submitted to parliament. Procedures for the disposal of financial and non-financial assets are established. The Finance Instructions 2010 set out the requirements on the disposal of non-financial assets. Information on the disposal of assets is included in the Budget Estimates and Annual Financial Statements submitted to parliament and published.	A

Evidence for score

The government maintains detailed records of all financial assets. Financial assets primarily include cash balances, loans, receivables, and equity investments in state-owned enterprises (SOEs). Under Section 46 of the Financial Management Act (FMA), these assets are reported in the annual financial statements which are submitted to parliament. Accompanying notes to the annual financial statements provide detailed tables of equity investments, changes from the previous financial year, and valuation methods—market value where available, or cost if market values are not reliably determined. Accounts receivable, including tax and loan receivables, are also disclosed and reflect fair values as of July 31 2024 for both the current and prior reporting years. Preparation of financial statements adheres to International Standards on Auditing, specifically IPSAS Cash 2017.

Extrabudgetary Units also maintain data on financial assets (cash and receivables). Quarterly and annual reports are provided to Treasury. For the largest EBU's (Fiji Roads Authority and Water Authority of Fiji) 2023-24 annual financial statements have been submitted to the Office of Audit General for audit.

The 2024-25 Budget Supplement (tabled in parliament, and published with, the budget) includes information on shares and portfolio allocations in SOEs (public corporations), as well as SOE portfolio performance and dividends as at July 2024. The Budget Supplement also lists loan receivables of \$303.2 million. However, information on the performance of loans, which represent more than 10% of total assets, is not provided.

It is noted that the Fiji National Provident Fund manages significant assets including domestic (government) capital markets. The FNFP is a defined contribution fund that provides superannuation services to its members. However, the Fund operates independently of central government and is classified as public financial corporation and outside the scope of this assessment. The RBF also holds government financial assets including foreign exchange reserves, but it is also not covered by PEFA in accordance with PEFA Handbook Vol II. Nevertheless, the RBF prepares an annual report which includes information on financial assets which is presented to government, tabled in parliament and published.

Non-financial assets are monitored through Fixed Asset Registers maintained by government agencies, as required by the Financial Instructions 2010. These registers must record key details such as descriptions, cost or fair value, and acquisition dates, with property, plant, and equipment valued either at cost or fair value. For assets recorded at cost, periodic reviews ensure book values do not exceed estimated fair values. Evidence of the existing of the asset registers were provided by the Ministries of Trade, Education, Foreign Affairs, Lands and Mineral Resources, and Local Government. The Ministry of Lands and Mineral Resources maintains a central register of government land holdings.

The Finance Instructions 2010 (under Division 5 – Property, Plant and Equipment) also provide requirements on the disposal of non-financial assets. Asset disposals require approval from the Permanent Secretary and must follow transparent and competitive processes to maximize value for money. Information on significant asset disposals, including financial assets, is included in the budget estimates and reported in annual financial statements. Further guidance on non-financial asset management is included in the (i) Fiji National Asset Management Framework document (Volumes I and II) and (ii) Accounting Policies on Non-Financial Assets. An annual "board of survey" is conducted to verify the existence and condition of non-financial assets. For agencies with large asset bases, surveys may be conducted on a cyclical basis, ensuring all assets are reviewed at least once every three years. The Finance Instructions require a board of survey to include three independent officers and produce a signed and dated report. Copies of the relevant templates were provided to the assessment team.

Guidance on the sale and disposal of financial assets (including write-offs) is included the Policies on Financial Assets and Fund Accounting. Section 46 of the Finance Act 2004 requires the whole of government financial statements submitted to parliament to include a statement of changes in net assets. Information on the disposal of assets is included in the Budget Estimates and Annual Financial Statements submitted to parliament and published.

Table 12.1: Financial asset monitoring (Last completed fiscal year)

Asset Type	Record of holdings of financial assets maintained (Y/N)	Acquisition cost recorded (Y/N)	Fair value recognized (Y/N)	In line with international accounting standards (Y/N)	Information on performance published annually (Y/N)
Cash and cash equivalent	Y	Y	Y	Y	Y
Accounts Receivable	Y	Y	Y	Y	Y

Prepayments	Y	Y	Y	Y	Y
Inventory	Y	Y	Y	Y	Y
Term-Loans Receivable	Y	Y	Y	Y	N
Equity Investments	Y	Y	Y	Y	Y

Data source: *Financial Management Act 2004 (Section 46), Annual financial statements; Budget Estimates 2024-25. Economic and Fiscal Update Supplement to the 2024-25 Budget; Statement of Investments as at 31 July, 2024 (internal document).*

Table 12.2: Non-financial asset monitoring (Last completed fiscal year)

Register of fixed assets (Y/N)	Information on usage and age (Y/N/Partial)	Register of land assets (Y/N)	Register of subsoil assets (if applicable) (Y/N/NA)	Information on performance published annually (Y/N)
Y (at department/agency level)	Y	Y	NA	N

Data source: : *Financial Instructions 2010, Sample fixed asset registers (Ministry of Trade, Ministry of Education, Ministry of Foreign Affairs, Ministry of Lands and Minerals, and Ministry of Local Government); Meetings with the Asset Management Division: Fiji National Asset Management Framework; Accounting Policies on Non-Financial Assets.*

Table 12.3: Transparency of asset disposal (Last completed fiscal year)

Procedures for non-financial asset transfer or disposal established (Y/N)	Procedures for financial asset transfer or disposal established (Y/N)	Information included in budget documents, financial reports or other reports (Full/Partial)	Information on asset transfer and disposal submitted to legislature (Y/N)
Y	Y	Y	Y

Data source: *Financial Instructions 2010, Annual Financial Statements, Budget Estimates 2024-25; Fiji National Asset Management Framework; Accounting Policies on Non-Financial Assets; Policies on Financial Assets and Fund Accounting. Policies on Financial Assets and Fund Accounting.*

PI-13. Debt management

This indicator assesses the management of domestic and foreign debt and guarantees. It seeks to identify whether satisfactory management practices, records, and controls are in place to ensure efficient and effective arrangements. Coverage is CG for all three dimensions - at time of assessment for PI-13.1, for last completed fiscal year for PI-13.2, and at time of assessment with reference to the last three completed fiscal years for PI-13.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-13. Debt management (M2)		A
13.1. Recording and reporting of debt and guarantees	A debt management information system (Meridian) is in place that records, analyzes and reports public sector debt. Domestic and foreign debt and guaranteed debt records are complete, accurate, and updated annually. Records are updated daily, and reconciliations performed monthly and reports prepared quarterly. Comprehensive management and statistical reports covering debt service, stock, and operations are produced quarterly and an Annual Debt Report is published annually.	A
13.2. Approval of debt and guarantees	The Financial Management Act 2004 (FMA) gives sole authority to borrow money to the Minister of Finance. The Act also gives authority to the government to issue guarantees, but these must be authorized by parliament. Annual borrowing is approved by the legislature via the annual budget estimates and annual appropriation acts. Central Government Debt is managed by a single agency, the Ministry of Finance, through a dedicated Debt Management Unit. A Debt Accounting Manual and Guarantee Policy document have been developed.	A
13.3. Debt management strategy	The most recent Debt Management Strategy covering the period 2024-26 was approved in February 2024. The current strategy covers existing and projected	A

	debt and includes objectives and quantitative targets on debt stock, interest rates and exchange rates as well as risk indicators and aligns with the key policies outlined in the government's 2024-25 Budget Supplement. The Debt Management Unit also prepare an Annual Debt Report that reports against the government's debt management strategy and includes details of debt stock composition, debt servicing and borrowing, and contingent liabilities (including government guarantees). A Debt Management Strategy has been completed for the last three fiscal years.	
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Evidence for score

Section 59 of the Financial Management Act (FMA) provides the legal framework for the Minister of Finance to borrow on behalf of the government, while Section 62 mandates parliamentary authorization for government-issued guarantees. To support debt management, the government has issued a Debt Accounting Manual outlining approved accounting policies. A Government Guarantee Policy has also been issued that sets out procedures for managing fiscal risks arising from government guarantees. The policy applies to all entities requesting a government guarantee.

Debt management is facilitated using the Commonwealth Meridian system, with the Debt Management Unit (DMU) maintaining and reconciling debt records. Statistical reports on debt service, stock, and operations are prepared quarterly, and an Annual Debt Report is presented to parliament, covering key aspects such as debt strategy, debt position, and contingent liabilities. The Annual Debt Report for 2023-24 highlights central government debt statistics from 2019-20 to 2023-24, including debt stock composition, servicing, and borrowing, and contingent liabilities (including government guarantees and other explicit and implicit contingent liabilities).

Section 59A of the FMA (Amendment 2021) mandates the preparation of a Debt Management Strategy, with the latest Medium-Term Debt Management Strategy (MTDS) covering 2023-24 to 2025-26. The MTDS highlights key debt policies outlined in the government's 2023-24 Budget Supplement, including lowering debt costs through concessional financing, adjusting the maturity profile by reducing short- and medium-term bonds, developing the domestic bond market, and mitigating risks from lending and contingent liabilities. It analyzes the evolution of debt composition since 2018-19, assesses the existing debt portfolio in terms of cost and risk (e.g., foreign exchange exposure), macroeconomic environment, budget policy, infrastructure development and exchange rate and balance of payments. The MTDS recommends strategies with targets for nominal debt and interest payments relative to GDP while addressing potential constraints such as macro-fiscal risks, non-economic challenges, and market dynamics.

The government prepares an Annual Borrowing Plan (ABP) to outline the approach for securing the financing required to implement the FY2024-2025 Budget. Aligned with the Medium-Term Fiscal Strategy, the MTDS, and the Budget Estimates, the ABP aims to achieve the debt management objectives set out in the MTDS. The MTDS for Government is reviewed annually in line with changing economic and market conditions. The 2023-24 MTDS is presented to parliament and published. The Annual Debt Report highlights progress against the government's debt strategy.

Table 13.1: Recording and reporting of debt and guarantees (At time of assessment)

Type of liability	Records are maintained, complete and accurate (Y/N)	Frequency of update of records (M/Q/A)	Frequency of reconciliation M=Monthly Q=Quarterly A=Annually N=Not done (Add whether All; Most; Some; Few)	Statistical reports (covering debt service, stock and operations prepared) M/Q/A/N	Gaps in reconciliation are documented Y/N
Domestic debt	Y	Daily	M (All)	Q	Y
Foreign debt	Y	Daily	M (All)	Q	Y
Guarantees	Y	Daily	M (All)	Q	Y

Data source: Meeting with the Debt Management Unit, MoF; Copies of debt register, quarterly statistical report and sample reconciliations provided by Debt Management Unit.

Table 13.2: Approval of debt and guarantees (Last completed fiscal year)

Primary legislation exists (Y/N; Name of Act)	Documented policies and guidance (complete both columns below but note they are alternatives)		Debt management responsibility (for each column below: Y/N; Name and location of unit)		Annual borrowing approved by government or legislature (Y/N, specify last date of approval)
	Guidance to single debt management entity (Y/N)	Guidance to multiple entities (Y/N, Name of regulation/policy)	Authorization of debt granted to single responsible entity	Transactions reported to and monitored only by single responsible entity	
Financial Management Act 2004 (2021 Amendment)	Y	N	Y, Minister of Finance; delegated to MoF (Debt Management Unit)	Ministry of Finance; Debt Management Unit	Yes, 28 June, 2024

Data source: *Financial Management Act 2004(2021 Amendment); Budget Estimates 2024-25; Annual Borrowing Plan 2024-25; Annual Financial Statements, Debt Accounting Manual, Government Guarantee Policy document.*

Table 13.3: Debt management strategy (at time of assessment with reference to last 3 completed fiscal years)

Debt management strategy has been prepared (Y/N)	Date of most recent update	Time horizon (No. of years)	Targets included in debt strategy				Annual report on debt strategy submitted to legislature (Y/N, Date)
			Interest rates (Y/N)	Refinancing (Y/N)	Foreign currency risk (Y/N)	Evolution of risk indicators only (Y/N)	
Y	15 January 2024	Three 2023-/24 to 2025/26	Y	Y	Y	Y	Y, 23 September, 2024

Data source: *Medium-Term Debt Management Strategy 2024-26; Annual Debt Report 2023-24; Meetings with Debt Management Unit, Approval briefing notes for MTDS and Annual Debt Report (internal).*

PILLAR FOUR: Policy Based Fiscal Strategy and Budgeting

This pillar includes five indicators which assess whether the government's fiscal strategy and the budget are prepared with due regard to government fiscal policies, strategic plans, and adequate macroeconomic and fiscal projections. The indicators also examine the orderliness of the budget preparation process and the legislative scrutiny of budget proposal.

Overall performance

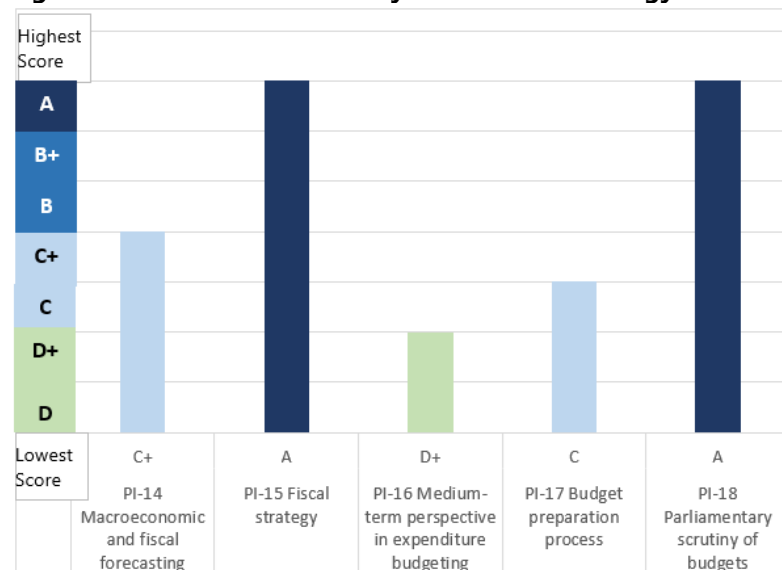
Fiji has a well-developed budget framework premised on sound forecasts and solid analytical underpinnings. The Financial Management Act 2004 provides the legislative framework to advance the reform agenda. It mandates that budget estimates, the fiscal strategy, the Medium-Term Fiscal Framework (MTFF), and supplementary documents are provided to Parliament on a timely basis for review.

Over the past three fiscal years, budget submissions have consistently been provided to Parliament on time. The budgets for FY2021-22, FY2022-23, and FY2023-24 were approved on July 29, 2021; July 28, 2022; and July 13, 2023, respectively. This punctuality highlights adherence to the legislative requirement to finalize the budget before the commencement of the fiscal year, facilitating timely implementation of government programs.

The Standing Orders outline a structured process for scrutinizing the budget, allowing at least six days for Members of Parliament (MPs) to review the Bill and related documents before debate. MPs are allocated 20 minutes each to present their views during budget debates, which continue until parliamentary approval is granted. The Public Accounts Committee (PAC) ensures MPs have adequate time to analyze the budget thoroughly. As well, the Committee of Supply plays a critical role in the budget review process. Inputs from stakeholders such as Civil Society Organizations (CSOs), the private sector, and government entities are invited through written submissions. This inclusive approach ensures a comprehensive evaluation of the budget proposals.

The Financial Management Act 2004 also governs in-year budget adjustments, such as virements and emergency funding. Sections 13B and 16 authorize the Minister to reallocate funds within appropriation categories if necessary. Similarly, Permanent Secretaries can approve transfers within their agency's budget under the Finance Instructions 2010. In emergencies, Section 24 permits the Minister, with Cabinet approval, to authorize expenditures from unallocated or reallocated funds. Such spending must be reported in the Annual Appropriation Act to ensure transparency and accountability. For FY2023-24, all legislative requirements were strictly adhered to, underscoring the government's commitment to sound financial governance.

Figure 3.4. PILLAR FOUR: Policy Based Fiscal Strategy and Budgeting



Recent and ongoing reform activity

The Government has recently implemented several public financial management (PFM) reforms to enhance fiscal discipline, transparency, and efficiency in public resource utilization. The government has formulated a Medium-Term Fiscal Strategy (MTFS) covering the period FY2024-2025 to FY2026-2027. This strategy underscores the government's commitment to restoring fiscal sustainability, reducing debt, and improving fiscal transparency and accountability. It includes an MTFF with measurable objectives and targets to guide budget preparation, alongside broad guidelines for expenditure and revenue policy formulation and debt management.

Furthermore, the Guidelines for Preparation, Appraisal, and Approval of Projects under the Public Sector Investment Programme (PSIP) have been updated. Issued in August 2023, these guidelines introduce new front-end procedures for project preparation and appraisal, emphasizing efficient allocation of public investment funds to optimize development outcomes. The guidelines also aim to provide budget sector agencies with greater certainty regarding medium-term investment resources, thereby improving operational efficiency.

Efforts have also focused on improving institutional capacity for reform and enhancing coordination between government agencies and development partners. These targeted promoting fiscal discipline, strategic resource allocation, and efficient service delivery, thereby reinforcing the government's PFM reform agenda. These reforms demonstrate Fiji's proactive approach to strengthening its public financial management systems, ensuring that public resources are managed effectively and transparently to achieve sustainable economic growth and development.

PI-14. Macroeconomic and fiscal forecasting

This indicator measures the ability of a country to develop robust macroeconomic and fiscal forecasts, which are crucial to developing a sustainable fiscal strategy and ensuring greater predictability of budget allocations. It also assesses the government's capacity to estimate the fiscal impact of potential changes in economic circumstances. For the last three completed fiscal years, coverage is whole economy for PI-14.1 and CG for PI-14.2 and 14.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-14. Macroeconomic and fiscal forecasting (M2)		C+
14.1. Macroeconomic forecasts	Forecasts for GDP and inflation were provided for the budget year and two forward years in FY2021-22, FY2022-23, and FY2023-24. For the same period, there were no interest rate and exchange rate forecasts provided as part of the budget documentations. The GDP and inflation forecasts are prepared by the Macroeconomic Technical Committee and endorsed by the Macro Policy Committee chaired by the RBF Governor and include the Permanent Secretaries for Ministries of Finance, Industry Trade and Tourism, PM's Office, and others.	D
14.2. Fiscal forecasts	The medium-term fiscal frameworks for FY2021-22, FY2022-23 and FY2023-24 outline revenue, expenditure, and budget balance forecasts, supported by tax measures, expenditure priorities, a debt management strategy, and quarterly fiscal performance reports to track and adjust budget execution. There were however no forecasts of Revenue by Type provided in the FY22/23 budget.	C
14.3. Macro-fiscal sensitivity analysis	The fiscal strategy provides an account of how the key macroeconomic variables could be impacted by variations in revenues and expenditures. Variations in the debt/GDP ratio as a result of movements in revenues and expenditures and the primary balance. These are summarized in the MTFF Table for each fiscal year. A DSA is presented as part of the fiscal analysis.	A

Evidence for score

Fiji has a well-developed budget framework premised on sound forecasts and solid analytical underpinnings. In FY2021-22, FY2022-23, and FY2023-24, GDP and inflation forecasts were provided for the budget year and two forward years. No forecast for interest rate and exchange rates presented as part of the budget documentations. A Macroeconomic Technical Committee of officials prepares the forecasts which are submitted for endorsement by the Macro Policy Committee chaired by the RBF Governor and include the Permanent Secretaries for Ministries of Finance, Industry Trade and Tourism, PM's Office and others. Assumptions underpinning the GDP estimates are clearly presented and provided as part of the fiscal strategy. GDP estimates for FY2021-22, FY2022-23 and FY2023-24 were provided for the budget year and two outer years. The GDP forecasts are updated quarterly to inform Cabinet of growth and fiscal performance.

The MTFFs for FY2021-22, FY2022-23, and FY2023-24 provide fiscal forecasts in terms of revenues, expenditures and budget balance for the budget year and two forward years. The forecasts include tax and tariff measures as well as expenditure priorities to form the basis of the assumptions that underpin the estimates. A debt management strategy is also provided to guide financing options in the medium term. The Fiscal Performance Reports prepared quarterly document budget performance against forecasts as well as policy interventions to reverse a worsening situation.

For fiscal years (FY2021-22, FY2022-23 and FY2023-24) a discussion of how the fiscal estimates might be affected by fiscal risks such as global slowdown, sharp interest rise in the US, SOE risk and natural disasters is clearly provided. Guided by the fiscal strategy, the MTFFs set baseline assumptions for growth, inflation, interest rates and exchange rates and how these are impacted by global and domestic slowdowns. The targeted medium-term deficits are set which drive the expected debt/GDP ratio and movement in the primary balance. The revenue and expenditure strategies under the fiscal strategy present the revenue measures and expenditure strategies that if implemented will lead to the achievement of the medium-term fiscal targets. These are summarized in the MTFF Table for each fiscal year. A debt sustainability analysis (DSA) is presented as part of the fiscal analysis where Government debt is projected to gradually decline from 77.8 percent of GDP in FY2024-2025 to 60.2 percent by FY2039-2040.

Table 14.1: Macroeconomic forecasts (Last three completed fiscal years)

Indicator	Budget document year	Years covered by forecasts			Underlying assumptions provided (Y/N)	Frequency of update 1= once a year 2=more than once a year N=Not updated	Submitted to legislature 1=budget year only 3= budget year plus two following fiscal years N= Not submitted
		Budget (\$ million)	Forward year 1 (\$ million)	Forward year 2 (\$ million)			
GDP growth	FY2023-24	2.8	3.0	3.0	Y	2	3
	FY2022-23	9.2	5.0	5.0	Y	2	3
	FY2021-22	11.3	8.5	7.7	Y	2	3
Inflation	FY2023-24	3.1	2.5	2.0	Y	2	3
	FY2022-23	2.0	2.3	2.5	Y	2	3
	FY2021-22	4.5	3.0	2.6	Y	2	3
Interest rates	FY2023-24	1.14	n.a	n.a	N	N	N
	FY2022-23	0.42	n.a	n.a	N	N	N
	FY2021-22	5.72	n.a	n.a	N	N	N
Exchange rate	FY2023-24	-0.4%	n.a	n.a	N	N	N
	FY2022-23	-2.9%	n.a	n.a	N	N	N
	FY2021-22	-5.8%	n.a	n.a	N	N	N

Data source: Economic & Fiscal Update Supplement to the Budget Address FY2021-22, FY2022-23, FY2023-24.

Table 14.2: Fiscal forecasts (Last three completed fiscal years)

Indicator	Budget document year	Years covered by forecasts			Underlying assumptions provided (Y/N)	Explanation of the main differences included (Y/N)	Submitted to legislature 1=budget year only 3= budget year plus two following fiscal years N= Not submitted
		Budget (\$ million)	Forward year 1 (\$ million)	Forward year 2 (\$ million)			
Revenue by type	FY2023-24	3,035.9	3,299.0	3,469.9	Y	Y	3
	FY2022-23	n.a	n.a	n.a	N	N	N
	FY2021-22	1,597.6	2,695.5	2,832.3	Y	Y	3
Aggregate revenue	FY2023-24	3,577.6	3,916.7	4,095.9	Y	Y	3
	FY2022-23	2,939.9	3,354.0	3,503.5	Y	Y	3
	FY2021-22	2,253.1	2,965.6	3,095.5	Y	Y	3
Aggregate expenditure	FY2023-24	4,106.2	4,552.2	4,648.1	Y	Y	3
	FY2022-23	3,812.1	3,622.3	3,351.4	Y	Y	3
	FY2021-22	3,690.5	3,493.8	3,567.5	Y	Y	3
Budget balance	FY2023-24	(528.6)	(635.5)	(552.2)	Y	Y	3
	FY2022-23	(872.2)	(446)	(334.5)	Y	Y	3
	FY2021-22	(1,605.4)	(528.2)	(472.0)	Y	Y	3

Data source: Economic & Fiscal Update Supplement to the Budget Address FY2021-22, FY2022-23, FY2023-24.

Table 14.3: Macrofiscal sensitivity analysis

Type of macrofiscal sensitivity analysis (none/qualitative only/quantitative scenario analysis)	Analysis published (None, discussion in budget docs, quantified scenarios)
Quantitative scenario analysis	Quantified scenarios provided as part of the budget documentations.

Data source: Economic & Fiscal Update Supplement to the Budget Address FY2021-22, FY2022-23, FY2023-24.

PI-15. Fiscal strategy

This indicator provides an analysis of the capacity to develop and implement a clear fiscal strategy. It also measures the ability to develop and assess the fiscal impact of revenue and expenditure policy proposals that support the achievement of the government's fiscal goals. Coverage is CG for the last three completed fiscal years for PI-15.1 and the last completed fiscal year for PI-15.2 and 15.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-15. Fiscal strategy (M2)		A
15.1. Fiscal impact of policy proposals	Fiscal strategies for FY2021-22, FY2022-23, and FY2023-24 were approved by the Cabinet before each budget year, based on assessments of prior economic and fiscal performance. Impacts of revenue measures, expenditure priorities, financing options, and debt management impacts, are summarized in the MTFF and submitted to Parliament.	A
15.2. Fiscal strategy adoption	The fiscal strategies identify clear medium-term fiscal targets in terms of revenues, expenditures, net deficit and debt to GDP ratio.	A
15.3. Reporting on fiscal outcomes	Quarterly fiscal performance reports detail revenue collection, spending, and debt to keep the Cabinet informed. These reports provide an opportunity for the government to review and adjust budget parameters to align with broader budget objectives.	A

Evidence for score

The Financial Management (Amendment) Act 2021 mandates the Ministry of Finance to prepare a fiscal strategy that sets out Government's fiscal objectives for the medium-term. The Minister is also required to submit the strategy to Parliament at its session immediately after Cabinet approval.

For FY2021-22, FY2022-23, and FY2023-24, fiscal strategies were prepared for the budget and approved by Cabinet prior to the commencement of budget year. Assessment of economic and fiscal performance in the preceding period sets the platform for determining the fiscal strategy parameters in line with the broader fiscal objectives. The revenue measures, expenditure priorities and financing options for implementation during the budget year are key components of the fiscal strategy. The fiscal impact of revenue and expenditure measures as well as debt management strategy are discussed in detail in the under the fiscal strategy. The cost, impacts and the underlying assumptions for each major policy initiative for each fiscal year and two forward years are submitted to Parliament as part of the budget documentations.

Reporting on fiscal performance is well documented with quarterly reports published to brief Cabinet on revenue collection, spending and debt situation, and reasons for variations against the forecasts. It allows the opportunity for government to review and adjust the budget parameters if considered appropriate to support the achievement of the broader budget objectives.

Table 15.1: Fiscal impact of policy proposals (Last three completed fiscal years)

Estimates of fiscal impact done for ALL proposed policy changes (Y/N/Partial)	Budget year (Y/N)	Two following fiscal years (Y/N)	Submitted to legislature (Y/N)
Y	Y	Y	Y

Data source: Economic & Fiscal Update Supplement to the Budget Address FY2021-22, FY2022-23, FY2023-24; Quarterly and Mid-Year Fiscal Performance Reports.

Table 15.2: Fiscal strategy adoption (Last completed fiscal year)

Table 1: Fiscal Strategy and Plan (Last completed financial year)							
Fiscal strategy prepared (Y/N)	Submitted to legislature (Y/N, Date)	Published (Y/N, Date)	Internal use only (Y/N)	Includes quantitative information (Y/N)			Includes qualitative objectives (Y/N) – <i>Specify in the narrative</i>
				Time based goals and targets	Or objectives only		
					Budget	Forward Years	
Y	Y	Y: 30 June 2023	N	Y	Y	Y	Y

Data source: FY2023-24 Economic & Fiscal Update Supplement to the Budget Address.

Table 15.3: Reporting on fiscal outcomes (Last completed fiscal year)

Progress report completed (Y/N)	Last fiscal year covered	Submitted to legislature (Y/N, Date)	Published with budget (Y/N, Date)	Includes explanation of deviation from target (Y/N)	Includes actions planned to address deviations
Y	Y	Y	Y (30 June 2023)	Y	Y

Data source: FY2023-24 Economic & Fiscal Update Supplement to the Budget Address; FY2023-24 Quarterly and Midyear Fiscal Performance Reports.

PI-16. Medium-term perspective in expenditure budgeting

This indicator examines the extent to which expenditure budgets are developed for the medium-term within explicit medium-term budget expenditure ceilings. It also examines the extent to which annual

budgets are derived from medium-term estimates and the degree of alignment between medium-term budget estimates and strategic plans. Coverage is BCG for the last budget submitted to the legislature for PI-16.1, 16.2 and 16.3, and last medium-term budget /current medium-term budget for PI-16.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-16. Medium-term perspective in expenditure budgeting (M2)		D+
16.1. Medium-term expenditure estimates	The FY2024-25 budget is categorized by administrative, economic, and program classifications, with estimates for FY2024-25 provided, but outer-year estimates assumed unchanged for most programs.	D
16.2. Medium-term expenditure ceilings	No budget ceiling is issued for ministries for the budget year and two forward years in the FY2024-25 Budget Circular.	D
16.3. Alignment of strategic plans and medium-term budgets	Strategic and operational plans are prepared for all ministries, but majority are not fully costed. Most expenditure policy proposals in the annual budget reflect the objectives in the strategic plans. As well, the ministry budget format is closely aligned to the structure of its strategic plans. However, as few plans are costed this dimension is scored D.	D
16.4. Consistency of budgets with previous year's estimates	The FY2023-24 fiscal performance reports analyze revenues and expenditures against both Original and Revised Budget estimates, highlighting variances and their causes. Insights from these assessments inform annual budget adjustments and shape the next MTFF.	A

Evidence for score

The FY2024-25 budget is disaggregated by administrative, economic and program classifications. The FY2024-25 budget estimates are provided but the estimates for the two outer years are presented as “proposed changes” which are assumed zero for most of the programs. This implies the FY2024-25 expenditure levels remain unchanged in the two outer years. That said, it is considered there are no estimates provided for the two forward years.

The FY2024-25 Ministry of Finance Circular dated 13 February 2024, presents the 2024-25 Fiscal Strategy approved by Cabinet which announces the fiscal deficit, broad strategies to guide the formulation of revenue, expenditure, and debt management policies for the medium-term as well as the timelines for the preparation of the FY2024-25 budget. The Circular does not issue budget ceilings for individual ministries for the budget year and two forward years.

Alignment of individual ministry budget submissions to the National Development Plan (NDP) objectives and Vision 2050 is underscored in the MTFS and MTFF. Ministries are encouraged to adhere to this to maintain budget stability, support effective resource allocation and avoid the need for additional funding. The five largest ministries highlighted in Table 16.3 do have strategic or operational plans that highlight their role in supporting the national objectives. Unfortunately, with the exception of one, others are not fully costed. For most ministries, the structure of the strategic plans mirrors that of the ministry budget.

The quarterly and annual fiscal performance reports for FY2023-24 provide a detailed assessment of how revenues and expenditures performed during the period. The actuals at period end are compared to the Original Budget estimates and the Revised Budget. Higher-than-expected revenue collections and under-performance are discussed in detail. Analysis of expenditures highlighting over and under spending and the underlying reasons is also provided. The annual budget is adjusted as a result of these analyses. These assessments are fed into the design of the next MTFF through the Proposed Expenditure Allocations submitted to the Cabinet Subcommittee on Budget for approval.

Table 16.1: Medium-term expenditure estimates (Last budget submitted to the legislature)

Classification	Level of disaggregation	Budget year (Y/N)	Two following fiscal years (Y/N)
Administrative	2-digit GFS	Y	Y

Economic	2-digit GFS	Y	Y
Program/Function	2-digit GFS	Y	Y

Data source: FY2024-25 Final Budget

Table 16.2: Medium-term expenditure ceilings (Last budget submitted to the legislature)

Level	Budget year (Y/N)	Two following fiscal years (Y/N)	Date of approval of ceilings	Date of issuance of first budget circular
Aggregate ceiling	Y	N	13 Feb 2024	6 Feb 2024
Ministry Ceiling	Y	N	13 Feb 2024	6 Feb 2024

Data source: FY2024-25 Ministry of Finance Circular; Cabinet Decision: CP (24)13

Table 16.3: Alignment of strategic plans and medium-term budgets (at least five largest ministries) (Last budget submitted to the legislature)

Ministry	Budget Allocation (F\$'000)	Medium-term strategic plan prepared (Y/N)	MTSP Costed (Y/N)	Expenditure proposals consistent with MTSP (Most, majority, some, none)
1. Ministry of Education	\$627,550.9	Y	N	None
2. Ministry of Public Works, Meteorological Services and Transport	\$453,959.5	Y	N	None
3.				
4. Ministry of Health and Medical Services	\$451,779.3	Y	N	None
5. Ministry of Women, Children and Social Protection	\$199,506.5	Y	N	None
6. Ministry of Trade, Co-operatives, Micro, Small and Medium Enterprises and Communications	\$106,614.6	Y	Y	Most
Total	\$1,839,410.8			

Data source: FY2024-25 Final Budget; Ministry Strategic and Operational Plans.

Table 16.4: Consistency of budgets with previous year's estimates (at least five largest ministries) (budget approved by the legislature for the last competed fiscal year)

Ministry	Changes to expenditure estimates (F\$'000)	Explanation of change to previous year's estimates prepared included in budget documents (Y/N)	Reconciled with medium term budget estimates (Y/N)	Reconciled with first year of new budget estimates (Y/N)
1. Ministry of Education	13,433.2	Y	Y	Y
2. Ministry of Public Works, Meteorological Services and Transport	51,130.6	Y	Y	Y
3. Ministry of Health and Medical Services	43,208.9	Y	Y	Y
4. Ministry of Women, Children and Social Protection	53,045.2	Y	Y	Y
5. Ministry of Trade, Co-operatives, Micro, Small and Medium Enterprises and Communications	20,928	Y	Y	Y
Total	181,745.9			

Data source: FY2023-24 Final Budget.

PI-17. Budget preparation process

This indicator measures the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely. Coverage is BCG for the last budget submitted to the legislature for PI-17.1 and 17.2, and the last three completed fiscal years for 17.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-17. Budget preparation process (M2)		C
17.1 Budget calendar	There's a clear schedule to guide budget preparation. However, ministries are given more than six weeks to complete and submit their budget proposals. For the 2024-2025FY, the Baseline Budget was distributed on 16/02/24 and submission was due on 05/04/24.	A
17.2 Guidance on budget preparation	The FY2024-25 circular provides comprehensive information to guide budget preparation. Baseline budgets instead of budget ceiling are issued by the Ministry of Finance based on the previous year's spending level, one-off expenditures and rate of implementation.	D
17.3 Budget submission to the legislature	The annual budgets in the last three completed fiscal years were submitted to Parliament less than the stipulated time for a C, hence this is rated D.	D

Evidence for score

The FY2024-25 Finance Circular provides a clear schedule for budget preparation. Issued on 13 Feb 2024, the Circular requires budget submissions from ministries to be submitted to the Ministry of Finance by 5 April 2024 allowing more than six weeks for ministries to complete and submit their budget submissions. The authorities informed the compliance rate is around 95%.

The Circular is a comprehensive document that presents the fiscal strategy pre-approved by Cabinet, MTFF, guiding principles for revenue, expenditure and debt management policy formulation, and budget timeline and processes. It does not include ministry or aggregate budget ceilings. Instead, the Ministry of Finance issues "Baseline Budgets" for each ministry which serve as a baseline for the ministry to formulate its budget. This is not pre-approved by Cabinet but issued by the Ministry of Finance based on the previous year's spending level, one-off expenditures and rate of implementation.

The Fiji budget was submitted to the Legislature on 16/07/21 in FY2021-22 (2 weeks); 15/07/22 for FY2022-23 (2 weeks) and 30/06/23 in FY2023-24 which is 4 weeks.

Table 17.1 and 17.2: Budget calendar and budget circular (Last budget submitted to the legislature)

Budget calendar exists (Y/N)	Date of budget circular (s)	Deadline for submission of estimates	Coverage: expenditure – capital & recurrent, for full year (full, partial)	% of budgetary units complying with deadline	Date Cabinet approved ceilings	Budget estimates are reviewed and approved by Cabinet after completion (if ceilings not issued) (Y/N)
Y	13Feb2024	5Apr 2024	Full	95	n.a	Y

Data source: FY2024-25 Ministry of Finance Budget Circular

Table 17.3: Budget submission to legislature (Last three completed fiscal years)

Fiscal year (last three completed fiscal years)	Date of submission of budget proposal
FY2021-22	16/07/21
FY2022-23	15/07/22
FY2023-24	30/06/23

Data source: Budget Submission to Parliament: FY2021-22, FY2022-23, and FY2023-24.

PI-18. Legislative scrutiny of budgets

This indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent to which the legislature scrutinizes, debates, and approves the annual budget, including the extent to which the legislature's procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex ante approval by the legislature. Coverage is BCG for last completed fiscal year for PI-18.1, 18.2 and 18.4, and last three completed fiscal years for PI-18.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-18. Legislative scrutiny of budgets (M1)		A
18.1. Scope of budget scrutiny	The budget estimates, fiscal strategy, MTFF and supplementary documents are provided to Parliament for their review. The Standing Orders provide sufficient time and opportunity for MPs to scrutinize the budget.	A
18.2. Legislative procedures for budget scrutiny	The Standing Orders outline the process for Parliamentary scrutiny of the budget, allowing at least six days for Members to review the Bill and budget documents before debate. The Committee of Supply plays a central role, and stakeholders, including CSOs, the private sector, and government entities, can contribute through written submissions.	A
18.3. Timing of budget approval	The budgets for FY2021-22, FY2022-23, and FY2023-24 were approved by Parliament prior to the new fiscal year taking effect.	A
18.4. Rules for budget adjustments by the executive	The Finance Management Act 2004 and related Finance Instructions provide the legal framework for in-year budget amendments, virement of funds, and emergency funding. In FY2023-24, all actions regarding fund transfers and emergency expenditures adhered strictly to these legislative provisions, ensuring accountability and transparency.	A

Evidence for score

The Financial Management Act 2004 provides the legal basis for Parliament to scrutinize the budget. Budget estimates, fiscal strategy, MTFF and supplementary documents are provided to Parliament for their review. When the bill is tabled in Parliament, the bill and all budget documentation are immediately circulated to all Members according to Standing Orders. Parliament is then adjourned for at least six days to allow Members the opportunity to consider the Bill and accompanying budget documents. During debate, each MP is given 20 minutes to speak on estimate heads in the budget. Amendments may be moved and voted upon. Following that, the Committee of Supply will then immediately consider the Bill where each schedule and clause will be voted on without debate.

The Standing Orders provide a clear process for Parliamentary scrutiny of the budget. At least 6 days are allowed for Members to study/review the Bill and accompanying budget documents before it is debated. The Committee of Supply is a key committee in scrutinizing budget. The budget process allows stakeholders including CSOs, private sector and within government to contribute to the budget through written submissions.

For the three fiscal years, the budget was submitted to parliament and approved within the stipulated timeframe prior to the fiscal year taking effect. FY2021-22 budget was approved on 29/07/21, FY2022-23 on 28/07/22, and FY2023-24 on 13/07/23.

The FMA 2004, section 13B, provides the legal basis to table in-year budget amendments. Under section 24 of the FMA 2004, the provision for emergency funding provides that in the event of a state of emergency, the Minister, with Cabinet approval, can authorize government expenditure either from unallocated funds or by reallocating funds designated for other purposes. This expenditure must be reported in the next Annual Appropriation Act to ensure transparency and accountability. The expenditure is deemed legally appropriated under the most recent Appropriation Act until formal

legislative inclusion. In FY2023-24, compliance with the above legislated requirements were strictly adhered to.

On virement of funds, section 16 of the FMA provides that the Minister may authorize the transfer of unspent funds between appropriation categories within the same head of appropriation, provided it is deemed necessary. This can be done in writing without requiring additional approval beyond the provisions of this Act. Under Section 10 of Finance Instructions 2010, Permanent Secretaries may authorize the transfer of budgeted funds from one appropriation category to another appropriation category within the agency's head of appropriation provided that both appropriation categories are administered by the same Permanent Secretary.

Table 18.1: Scope of budget scrutiny (Last completed fiscal year)

Budget scrutiny by Legislature (Y/N)	Coverage (specify)				
	Fiscal policies (Y/N)	Medium-term fiscal forecasts (Y/N)	Medium-term priorities (Y/N)	Aggregate expenditure and revenue (Y/N)	Details of expenditure and revenue (Y/N)
Y	Y	Y	Y	Y	Y

Data source: FY2023-24 Budget.

Table 18.2: Legislative procedures for budget scrutiny (Last completed fiscal year)

Legislative procedures exist (Y/N)	Approved in advance of budget hearings (Y/N)	Procedures are adhered to (Y/N)	Include arrangements for public consultation (Y/N)	Procedures include organizational arrangements (Y/N)
Y	Y	Y	Y	Y

Data source: Parliamentary Standing Orders; FY2023-24 Budget.

Table 18.3: Timing of budget approval (Last three completed fiscal years)

Fiscal year	Budget for fiscal year	Date of budget approval
FY2021-22	FY2021-22	29/07/21
FY2022-23	FY2021-22	28/07/22
FY2023-24	FY2023-24	13/07/23

Data source: Appropriation Acts FY2021-22, FY2022-23, and FY2023-24.

Table 18.4: Rules for budget adjustments by the executive (Last completed fiscal year)

Clear rules exist (Y/N)	Rule includes strict limits (extent and value)	Rules limit seeking retroactive approval of appropriations (Y/N)	Actual amount of reallocations in accordance with rules (% of BCG budget)	Extent of adherence to rules (All, most, some)
Y	Y	Y	10%	All

Data source: Financial Management Act 2004, Financial Instructions 2010.

PILLAR FIVE: Predictability and Control in Budget Execution

This pillar includes eight indicators which assess whether the budget is implemented within a system of effective standards, processes, and internal controls, which ensure that resources are obtained and used as intended.

Overall performance

Budget Execution and Control (Pillar V) reflects good overall performance on most Indicators and dimensions, with the exception of PI-24 Procurement. FRCS is the main revenue collection agency, accounting for more than 89 % of all revenue collections. FRCS uses the SAP enterprise resource planning (ERP) package, which provides robust system support to managing assessments, collections, deposits into Treasury Bank Accounts, and tax debtors/arrears. FRCS provides extensive guidance to taxpayers and operates modern practices for risk management and ensuring taxpayer compliance. Whilst tax arrears are generally low (7.5% of collections), those arrears older than 12 months amount to 57% of total arrears.

All revenues are recorded into the FMIS on a daily basis, and FRCS provides a detailed monthly report summarizing collections by revenue type. All revenues are deposited as received on a daily basis to bank accounts managed by the Treasury. FRCS's SAP system (Accounts Receivable module) automates the process of reconciling assessments, collections, deposits, and arrears (tax debtors).

Under PI-21, In Year Resource Allocation, MoF prepares annual cash plans which are updated monthly; commitment releases are made at the start of the financial year for the whole year; and in year budget adjustments are small (2.7% of the budget) and are undertaken transparently in accordance with the PFM Act, as described in PI-18.4. However, banking arrangements are not well consolidated with many (36) bank accounts in existence and no automated sweeping or general fungibility between accounts. These accounts are also held across multiple (6) different banks. PI-21.2 was rated D accordingly, whilst other dimensions scored A.

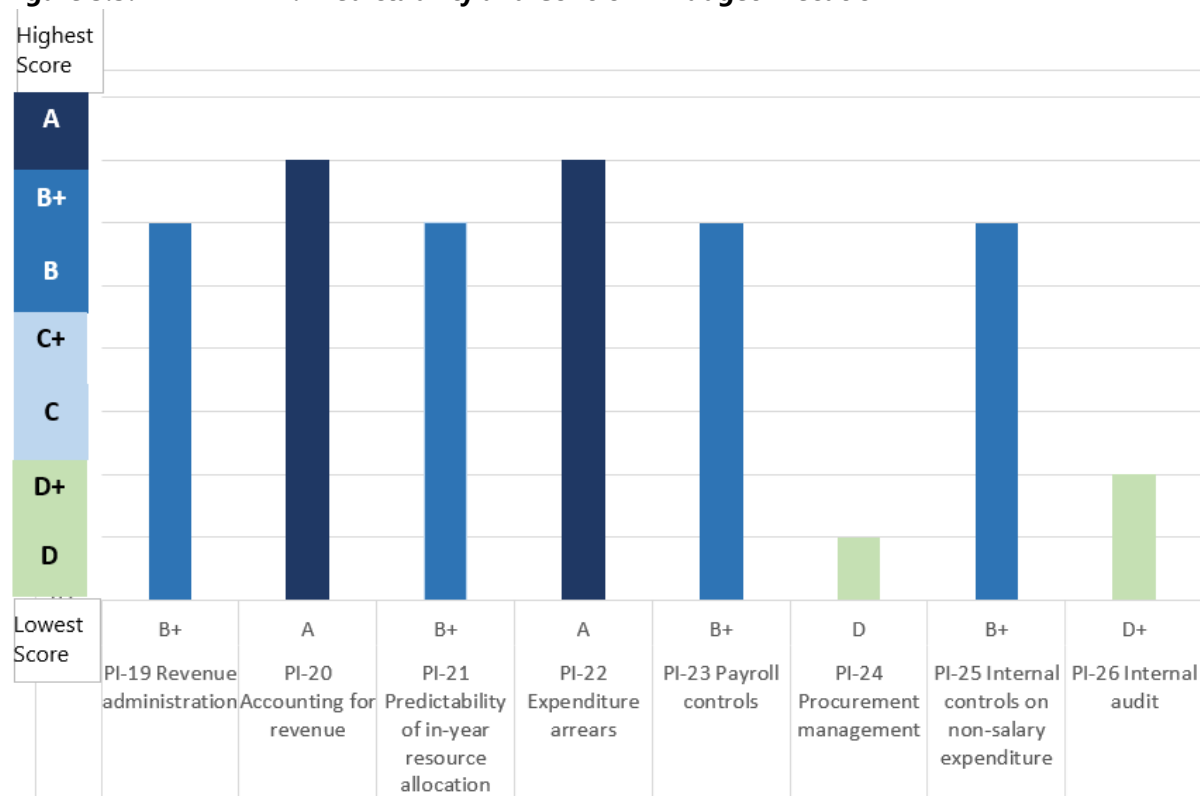
Accounts payable are well managed through the FMIS, with the stock of arrears being low and the FMIS providing detailed analysis of payables and arrears—generally vendors are paid promptly. PI-22 scored A accordingly.

Internal controls are robust for both payroll and non-payroll expenses (PI-23 and PI-25), scoring B+ in both indicators. The FMIS is fundamental to the automated and effective system controls, user responsibility management, and audit trails.

Procurement (PI-24) was highlighted as a specific area of weakness, scoring D overall. This was largely on account of the fact that significant procurement is undertaken by EBUs, which have their own laws and operate outside the control of the Fiji Procurement Office (FPO). Very little data was received from the EBUs.

Internal Audit (PI-26) generally performed well, with good coverage of entities, and use of international standards and a risk-based approach. Generally, there is good follow up on audit findings. However, implementation of audit plans fared less well, scoring only D.

Figure 3.5. PILLAR FIVE: Predictability and Control in Budget Execution



Recent and ongoing reform activity

There are several recent and ongoing reforms, some of which are ongoing and yet to come to fruition. Several updates have been made to underlying legislations driven by findings from the earlier PEFA. MoF implemented a new Government wide FMIS in August 2024, along with a revised CoA, which includes segments for climate and gender mapping. This covers all the core financial functionality, including purchasing management, AP (including payments management), AR (including receipts management), GL, assets management, bank reconciliation and reporting. The implementation included the payroll system as well as the core financials. The integration of the Human Resources (HR) module with the payroll module is yet to be implemented but will strengthen internal control on payroll expenses.

Work is ongoing finalizing the configuration and implementation of the Questica Budget Preparation module.

Since the previous PEFA, significant effort has been made to strengthen Internal Audit, including implementing International Internal Audit Standards; Development of Internal Audit Charters; and approving a Quality Assurance Improvement Plan (QAIP).

Procurement Regulations were updated in 2020, and guidelines have been developed but are not due to be implemented until March 2025.

P-19. Revenue Administration

This indicator relates to the entities that administer central government revenues, which may include tax administration, customs administration, and social security contribution administration. It also covers agencies administering revenues from other significant sources such as natural resources extraction. The indicator assesses the procedures used to collect and monitor central government revenues. Coverage is CG at time of assessment for PI-19.1 and 19.2 and for the last completed fiscal year for PI-19.3 and 19.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-19. Revenue administration (M2)		B+
19.1. Rights and obligations for revenue measures	The Fiji Revenue and Customs Service (FRCS) collects 89% of all central government revenues, i.e., “most” for the purposes of this assessment. Taxpayers are provided with extensive information, guidance, and support on their obligations and rights including redress. The laws and other data are fully up to date. There is an education and outreach program to assist taxpayers, which is documented. The FRCS website and portals provide access to the laws and other guidance materials, as well as details on tariffs.	A
19.2. Revenue risk management	The FRCS website sets out the Compliance Improvement Strategy (CIS), which sets out the approach to compliance risk management. This includes approaches to: improving voluntary compliance through enhanced guidance; education, awareness, and personal assistance; addressing taxpayer negligence through audits and penalties; and punishing tax evasion with investigations, penalties, raids and prosecutions. The CIS focuses on high-risk sectors, which are each discussed in the strategy – specifically it specifies the various taxpayer segments, which include filing via the taxpayer online service; managing medium-term risk through the Micro, Small and Medium Enterprises (MSME) sector; and Gold Card Service and Authorized Economic Operator—primarily for large taxpayers. The strategy prioritizes highest risk, large, and medium taxpayers.	A
19.3. Revenue audit and investigation	Audits and investigations are based on the priorities set out in the CIS. Implementations exceeded plans with FRCS completing 109% of compliance cases, 104% of audits, and 125% of investigations.	A
19.4. Revenue arrears monitoring	FRCS monitors and manages the largest element of revenue arrears. Tax Revenue arrears amounted to F\$240.5 million as at the end of FY2023-24, i.e. 7.5% of total revenue collections. FRCS provide ageing analysis highlighting arrears older than 12 months being 57.7%.	C

Evidence for score

General

FRCS collects 89% of all central government revenues, i.e., “most” for the purposes of this assessment. This is consistent with the preceding 2 years, and current collections at time of assessment continue at these similar rates. There have been no material changes in the relative proportion of revenues collected by FRCS at the time of assessment.

Most monies collected by extrabudgetary units are paid into the Consolidated Fund Account (CFA) and are included under category “Various” in the table below. The exceptions to this are: FRCS’s own source retained revenues; Water Authority Fiji (WAF) revenues from water installations and other works (water bills are deposited to CFA; and Civil Aviation Authority (CAA) revenues. (See Revenue outside budget reports in PI-6.1, 6.2).

Table 19: Collected revenues by entity and category (at time of assessment)

Entity	Category of revenue	Receipts F\$ million	% of total revenue
1. FRCS	Direct Taxes	1,009	29%
2. FRCS	Indirect Taxes	2,087	60%
3. Various	Other (Fees, charges, fines, commission)	154	4%
4. Various	Reimbursements & Recoveries	12	-
5. Various	Investing Receipts	144	1%
6. Various	Other	45	4%
Sub-Total BCG Revenue		3,451	99%
<i>EBU Revenues:</i>			
FRCS retained revenues	Other services fees, rent/interest.	15	-
Civil Aviation Authority	Civil aviation fees	6	-
Water Authority Fiji	Small installation works	1	-
Total		3,473	100%

Data source: WoG FS 2023-24 Draft Annual Financial Statements 2023-24 (BCG revenues as per PI-3, excluding Grants). EBU Annual Financial Statements per PI-6.2 Revenues outside Financial Reports of Government. Investing revenue comprises primarily dividend receipts. Largest fees and charges include LTA Charges, WAF charges, and passport charges. Largest items under "Other" are rentals of land and quarters.

Rights and Obligations

Taxpayers are provided with extensive information, guidance, and support on their obligations and rights including redress. The laws are fully up to date and included on the Laws of Fiji Website <https://www.laws.gov.fj/Home/laws> provides up-to-date tax and revenue legislation, as listed in the box below.

Box: Tax Legislation

Airport Departure Tax (Budget Amendment) Act 2024
Custom (Budget Amendment) Act 2024_July
Customs Tariff (Budget Amendment) Act 2024
Excise (Budget Amendment) Act 2024
Income Tax (Budget Amendment) Act 2024_July
Income-Tax-Act-2015-Revised-as-at-17-04-24
Tax Administration (Budget Amendment) Act 2024_July
VAT (Budget Amendment) Act 2024_July

The Laws include the rights and obligations as well as tariff and other chargeable rates, etc. Part 3 §16-20 sets out the procedures and processes for objections and appeals (redress) including escalation processes: Objections to Tax Decisions through the FCRS Chief Executive Officer (CEO); Review by Tax Tribunal; and appeals to the Tax Court.

The FRCS website also provides links to the legislation; numerous brochures and flyers, as well as videos, providing guidance and advice to taxpayers; Contact details for enquiries; Customs and Taxation Forms; and access to various portals for online processing.

Additionally, FRCS conducts extensive outreach activity to assist taxpayers. These activities were split into two major groups: (i) Micro, Small, and Medium Enterprises (MSMEs); and (ii) Individual taxpayers. 147 outreach activities were delivered to MSMEs and 190 to individual taxpayers and the general public.

Table 19.1: Rights and obligations for revenue measures (At time of assessment)

Collecting entity	Information available to taxpayers on revenue rights and obligations				
	Revenue obligations (Y/N)	Redress processes and procedures (Y/N)	Comprehensive (Y/N)	Up to date (Y/N)	Source of information (Specify)
1. FRCS	Y	Y	Y	Y	Per sources below

Data source: <https://frcs.org.fj/> <https://tpos.frcs.org.fj/taxpayerportal/#/Logon> <https://awportal.frcs.org.fj/index.jsf>
Laws listed in box below from <https://www.laws.gov.fj/Home/laws> Videos and Brochures giving guidance on <https://frcs.org.fj/video-gallery/> and <https://frcs.org.fj/brochures/>

Risk Management

The FRCS website presents the high level of Compliance Improvement Strategy (CIS) incorporating a risk management strategy based on enhancing voluntary compliance. The CIS sets out its approach to strengthening compliance in the specific Compliance Segments: Customer Service to individual Taxpayers; Small and Medium Enterprises (SMEs); Value Added Tax (VAT); and Customs Imports and Exports. The CIS specifies the various taxpayer segments, which include filing via the taxpayer online service (TPOS); managing medium-term risk through the Micro, Small and Medium Enterprises (MSME) sector; and Gold Card Service and Authorized Economic Operator—primarily for large taxpayers. The strategy prioritizes highest risk, large, and medium taxpayers.

Table 19.2: Revenue risk management

Collecting entity	Approaches for assessing and prioritizing compliance risks		Coverage	
	Comprehensive (Y/N)	Structured and systematic (Y/Partly/N)	Large taxpayers (Y/N)	Medium taxpayers (Y/N)
1. FRCS	Y	Y	Y	Y

Data source: <https://frcs.org.fj/about-us/voluntary-tax-compliance/> Compliance Improvement Strategy 2023-25.

Revenue Audit and investigation:

Audits and investigations are based on the priorities set out in the CIS. Implementations exceeded plans with FRCS completing 109% of compliance cases, 104% of audits, and 125% of investigations.

Table 19.3: Revenue audit and investigation (At time of assessment)

Collecting entity	Audit and fraud investigations undertaken (Y/N)	In accordance with compliance improvement plan (Y/N)	Compliance improvement plan documented (Y/N)	Completion rate of planned audits and investigations		
				Completed	Planned	Completed/Planned (%)
1. FRCS	Y	Y	Y			
Compliance Cases				1,450	1,325	109%
Audits				75	72	104%
Investigations				45	36	125%

Data source: 2023-24 Financial Year – Compliance Division Consolidated Statistics.

Revenue Arrears:

The FRCS Debt Management Service provides a report to MoF of the revenue arrears along with an ageing analysis. FRCS tax revenue arrears amounted to F\$240.5 million on revenue collections of \$3,096 as at 31 July 2024. The 4th Quarter report presents the arrears with ageing. Arrears over 12 months amount to 57%.

Table 19.4: Revenue arrears (At time of assessment)

Entity	Revenue amounts (\$) F\$ million	Stock of arrears			
		Amount (\$) F\$ million	% of annual collection	Age profile (Y/N)	Arrears older than 12 months % of annual collection
FRCS	3,096	240.5	7.5%	Y	57.7%
Other BCG	355	1.1	0%	N	N/A
CAA	6	1.5	0%	N	N/A
WAF	1	0.4	0%	N	N/A
FRCS retained revenues	15	0	0%	N	N/A
	3,473	243.5	7.5%		

Data source: FRCS AOR QTR4 2023-24.pdf. Quarterly report on Government Asset Composition. Revenue arrears with ageing and confirmation in email of 25/11/2024. EBU data is taken from 2022-23 annual financial statements as 2023-24 statements not yet published (but these arrears can be seen to be immaterial for the assessment). Other BCG revenue arrears from FMIS report for end of year miscellaneous Accounts Receivable.

PI-20. Accounting for revenue

This indicator assesses procedures for recording and reporting revenue collections, consolidating revenues collected, and reconciling tax revenue accounts. It covers both tax and nontax revenues collected by the central government. Coverage is CG at time of assessment.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-20. Accounting for revenue (M1)		A
20.1. Information on revenue collections	FRCS and other BCG revenues are collected and recorded into the FMIS daily, these revenues represent “all” for the purposes of this assessment—	A

	EBU collections are immaterial, i.e., less than one percent. A summary of collections with analysis by revenue type is prepared monthly and consolidated into a report by MoF.	
20.2. Transfer of revenue collections	All BCG Revenues are deposited directly into CFA Accounts maintained and controlled by Treasury.	A
20.3. Revenue accounts reconciliation	Assessments and collections are managed through the Accounts Receivable module of FRCS's SAP system. Reconciliation is fully automated from assessment, through to collection, and deposits to the bank. Uncollected amounts are reflected as tax debtors (arrears) which have ageing analysis in the system.	A

Evidence for score

Revenue collection information and reporting

FRCS records revenue collections daily and submits data to Treasury which is then posted to the FMIS. FRCS prepares a summary report of collections monthly and submits to Treasury. Other revenues are captured directly into the FMIS daily. The FMIS maintains data by revenue type for all BCG revenues, i.e., 99% of total central government revenues. i.e., "all" for the purposes of the assessment.

Table 20.1 and 20.2: – Information on revenue collections and transfers (At time of assessment)

Entity	Revenue and % of Total CG Revenue F\$ million	Data collected by a Central Agency			Revenue collections deposited	
		At least monthly (Y/N) -	Revenue type (Y/N)	Consolidated report (Y/N) –	Frequency (daily, weekly, fortnightly)	To accounts controlled by the Treasury of MoF Account
1. FRCS	3,096 [89%]	Y	Y	Y	D	Y
2. Other CFA revenue	355 [10%]	Y	Y	Y	D	Y
3. EBU revenue	22 {0%}	N	N	N	N/A	N
Total CG	3,473					

Data source: FRCS Bank Lodgement Report 14/11/2024 receipted ANZ 15/11/2024 (Cash Desks 1, 2 and 4). FRCS System Cash Journal. Cash Receipts/deposits. Westpac Bank Settlement and Merchant Receipt. Bank Credit Verification with Revenue Report for July 2024 (Excel format). August, September, October 2024 Revenue Report_FRCS.

Transfers of revenue collections

All BCG Revenues are deposited directly into CFA Accounts maintained and controlled by Treasury. These deposits account for more than 99% of total CG revenues.

Reconciliation of Revenue Collections

FRCS uses the high-end financial system, SAP, for managing its operations. Assessments and collections are managed through the SAP Accounts Receivable (AR) module of FRCS's SAP system. Reconciliation is fully automated from assessment, through to collection, and deposits to the bank. Uncollected amounts are reflected as tax debtors (arrears) with the module providing ageing analysis of arrears. FRCS accounts for nearly 90% of revenue collections, i.e., significantly more than "most" for the purposes of this indicator.

Table 20.3: Revenue accounts reconciliation (At time of assessment)

Collecting entity	Revenue and % of Total CG Revenue F\$ million	Frequency of reconciliation (month, quarter, semi-annual, annual)	Timeline of reconciliation (2 months, 8 weeks, 4 weeks)	Type of reconciled data (Y/N):			
				Assessments	Collections	Arrears	Transfers to Treasury
1. FRCS	3,096 [89%]	Real time through SAP System	Real time	Y	Y	Y	Y

Data source: FRCS Revenue Reports (August, September, October 2024).

PI-21. Predictability of in-year resource allocation

This indicator assesses the extent to which the central Ministry of Finance is able to forecast cash commitments and requirements and to provide reliable information on the availability of funds to budgetary units for service delivery. Coverage is BCG at time of assessment for PI-21.1 and last completed fiscal year for PI-21.2, 21.3 and 21.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-21. Predictability of in-year resource allocation (M2)		B+
21.1. Consolidation of cash balances	Balances on all bank accounts for budgetary central government are summarized daily in the daily Cash Movement Balance (CMB). This listing collates data on CFA bank accounts (36 in number), plus Trust fund accounts and Accounts for operations of overseas missions. By their nature Trust Fund Accounts are not fungible for budget execution purposes. In addition to the CFA accounts mentioned above, Line Ministries use "drawing accounts" for their payments, which are zero-balancing with balances swept to the CFA accounts at the end of the day. CFA Accounts are many and are held with RBF and 6 separate commercial banks. They include multiple revenue collection accounts, expenditure accounts, and several special purpose accounts. Transfers between accounts are manual, there is no automatic sweeping of account balances (other than drawing accounts). Cash funds are not consolidated from a fungibility perspective.	D
21.2. Cash forecasting and monitoring	An annual cash plan is prepared at the start of the financial year and updated monthly on the basis of actual cash inflows and outflows.	A
21.3. Information on commitment ceilings	Warrants are issued at the start of the year for the full 12 months budgeted spending. Cash Flow Forecast identify incidences of potential/projected cash shortfalls. No such shortfalls were experienced during the year. Budgetary Units are therefore able to plan their expenditures for at least 6 months, based on budget appropriation and cash/commitment releases.	A
21.4. Significance of in-year budget adjustments	During FY2023/24, budget adjustments were undertaken twice per redeployment #1 F\$103.6 million and #2 F\$7.9 million—totaling F\$111.5 million for the whole year. This equates at just 2.7% of total annual expenditures. The adjustments were undertaken fully in accordance with the FMA 2004, as evidenced in PI-18.4.	A

Evidence for score

Banking arrangements and consolidation of cash balances

MoF Treasury produces a daily Cash Movement balance compiling data on all bank accounts and categorizing them between CFA accounts, trust accounts, and overseas missions' accounts. There are 36 CFA Bank Accounts, additionally, Line Ministries use "drawing accounts" for their payments, which are zero-balancing with balances swept to the CFA accounts at the end of the day. The CFA accounts are held with multiple banks: RBF; Housing Finance Corporation (HFC); Australia New Zealand Bank (ANZ); Westpac Banking Corporation (WBC); Bank of the South Pacific (BSP); Baroda Bank; and BRED Bank. CFA accounts comprise revenue collection accounts, payment accounts, and various special purpose bank accounts. Transfers between accounts are undertaken manually (except for automated sweeping of the drawings accounts). The banking structure does not provide consolidation of cash resources and requires significant manual effort with transfers between accounts.

Table 21.1: Consolidation of bank and cash balances (At time of assessment)

Extent of consolidation (All, Most, < Most)	Frequency of consolidation (D, W, M)
<Most	D

Note: D= Daily, W=Weekly, M= Monthly

Data source: Cash Movement August 2024. FMIS Trial Balance 1st August 2024.

Cash Flow Forecasting

MoF Prepares an Annual Cash Flow forecast at the start of the financial year. This forecast is updated monthly based on actual inflows and outflows.

Table 21-2: Cash flow forecasts (Last completed fiscal year)

Cash flow forecast (Y/N)	Frequency of update (D/M/Q/A)	Period of projection (D/M/Q/A)	Update based on actual cash flows (Y/N)
Y	M	A	Y

Note: D= Daily, M= Monthly, Q=Quarterly, A=Annually

Data source: Excel Spreadsheets: Annual Cash Flow Forecast August 2023 to July 2024. Monthly Cash Flow Forecast Updates for each month FY2023-24: "August" through to "July".

Commitment Ceilings

Warrants are released at the start of the financial year for the full year's budget appropriation. During the year, apart from insignificant adjustments (as highlighted in PI-21.4 below, line ministries had full certainty of their budget funds and were able to commit expenditures in the implementation of their budget plans.

Table 21.3: Information on commitment ceilings

Information on commitment ceilings		
It is reliable (Y/N)	Frequency of release of commitment ceilings (M/Q/S/A)	In accordance with appropriations and cash/ commitment releases (Y/N)
Y	A	Y

Note: M= Monthly, Q= Quarterly, S= Semiannually, A= Annually

Data source: 2023-24 Budget Loading Data (Excel sheets of commitment ceilings loaded into the FMIS).

In-Year Budget Adjustments

During FY2023-24, budget adjustments were undertaken twice under redeployment #1 F\$103.6 million and #2 F\$7.9 million—totaling F\$111.5 million for the whole year. This equates at just 2.7% of total annual expenditures (per PI-2). The adjustments were undertaken fully in accordance with FMA 2004 as also evidenced in PI-18.4.

Table 21.4: Significance of in-year budget adjustments (Last completed fiscal year)

Frequency (describe)	% of BCG expenditure	Transparency (partial, fairly, fully)	Documented procedures (Y/N)	Rules for adjustments	
				Defined rules (Y/N)	Compliance with rules (Y/N)
Once	2.7%	Fully	Y	Y	Y

Data source: Details of Reportable Authorizations 2023/24. **FMA 2004.**

PI-22. Expenditure arrears

This indicator measures the extent to which there is a stock of arrears, and the extent to which a systemic problem in this regard is being addressed and brought under control. Coverage is BCG for the last completed fiscal year for PI-22.1 and at time of assessment for PI-22.2.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-22. Expenditure arrears (M1)		A
22.1. Stock of expenditure arrears	Fiji does not incur expenditure arrears, as it requires all current year liabilities to be settled prior to the end of the financial year. Treasury circular 60/36 (dated March 2024) established deadlines for releasing local purchase orders (LPOs) at the end of the financial year. All payables were cleared	A

	before the end of the financial year in the past 3 financial years, except for a small residual balance incurred by Trading and Manufacturing Accounts (TMAs). Total arrears amounted to only \$1,493 for all 3 years which is a fraction of one percent.	
22.2. Expenditure arrears monitoring	Monitoring of arrears is undertaken through the FMIS purchase order and accounts payable modules. Commitments (LPOs) and accounts payable are recorded on a daily basis and the data is available immediately. Data recorded against these transactions includes, incurring MDA, amount, supplier, expense category, and date (for ageing).	A

Evidence for score

Stock of Arrears

Expenditure arrears were negligible in FY2021-22 and FY2022-23, and these amounts related to Trading and Manufacturing Accounts which were closed at the end of FY2022-23. Line Ministries complied with circular 60/36 dated 28 March 2024 to clear all outstanding commitments and payables before the end of the financial year. As a consequence, arrears (and payables) were zero at the end of the financial year.

Table 22.1: Stock of expenditure arrears (Last three completed fiscal years)

Stock of arrears			
Year	\$	As % of BCG expenditure [Expenditure F\$ millions]	
2023-24	-	[4,094]	0%
2022-23	1,493	[3,579]	0%
2021-22	1,493	[3,413]	0%

Data source: WoG Annual Financial Statements 2021-22; 2022-23; and 2023-24. Treasury FMIS balance July 2024.

Monitoring Payables and Arrears

Expenditure arrears are accounts payable which are outstanding beyond the payment terms. In the Fiji context, expenditure arrears are managed through the FMIS Accounts Payable (AP) module. Government has a practice of paying all accounts payable on a timely manner. This is made possible through monitoring outstanding local purchase order (LPO) commitments in the FMIS. MoF issued circular 60/36 dated 28 March 2024 prescribing the required year end processes and procedures for Ministries, Departments, and Agencies (MDAs). These procedures require Accounting Heads to ensure that "open payables and outstanding LPOs adhere to the timelines in the circular. All LPOs (August through May) must be processed by 3rd June 2024. For LPOs after 14th May 2024, special dispensation has to be sought from the Treasury. FMIS report PO556 is produced to assist in the monitoring of outstanding commitments. It is made clear to MDAs, that current year payments requested in the subsequent year must receive approval and justification for the delays from the PS of the MDA. As a consequence, this rarely happens.

The outcome of these controls is that current accounts payable (let alone those in arrears) are minimal. MDAs clear all their payable before the end of the financial year. Per table 22.1 above, the arrears total only \$1,493, and these amounts relate to earlier years from Trading and Manufacturing Accounts (TMAs) which were closed before the start of financial year 2024/25.

Table 22.2: Monitoring of expenditure arrears (At time of assessment)

Stock and composition (Y/N/NA)	Age profile (Y/N/NA)	Frequency of reports (M/Q/A)	Time required to generate data (4 weeks, 8 weeks, more than 8 weeks)
Y	Y	Daily	Real time

Note: M= Monthly, Q=Quarterly, A=Annually

Data source: Annual Financial Statements 2021-22; 2022-23; and 2023-24. Treasury Circular 60/36 (28 March 2024). FMIS Reports: Outstanding AP balance before close; AP Balance after Close; LPO outstanding pre-close; Outstanding after accounts close.

Commitments (through LPOs) and accounts payable are recorded on a daily basis and the data is available immediately. Data recorded against these transactions includes, incurring MDA, amount, supplier, expense category (per the CoA – covered in PI-4), and date (for ageing).

PI-23. Payroll controls

This indicator is concerned with the payroll for public servants only: how it is managed, how changes are handled, and how consistency with personnel records management is achieved. Wages for casual labour and discretionary allowances that do not form part of the payroll system are included in the assessment of non-salary internal controls, PI-25. Coverage is CG at time of assessment for PI-23.1, 23.2 and 23.3 and last three completed fiscal years for PI-23.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-23. Payroll controls (M1)		B+
23.1. Integration of payroll and personnel records	The new payroll system is automated and integrated with the new FMIS. However, it is not currently integrated with the HR system. The payroll system maintains the established staffing and additions and amendments to the payroll (including promotion) undergo automated budgetary control checks and are also checked against approved staffing lists. The new payroll system covers the whole of BCG and EBU payroll costs are immaterial.	B
23.2. Management of payroll changes	Payroll changes are invariably processed in a timely manner. Anecdotally, some payroll amendments for rural staff (primarily teachers and health workers) may be processed in a subsequent fortnightly payroll run, but these are extremely small. OAG undertakes full audit of the MDAs including payroll transactions—discussions with OAG confirmed timely payroll processing and absence of retroactive adjustments which would be significantly less than 1% of the total payroll bill.	A
23.3. Internal control of payroll	(As with the previous Payroll System), the new payroll system operational at the time of assessment has strong automated system controls. The system enforces segregation of duties through user responsibilities and approvals hierarchies. The system produces robust audit trails of all payroll system activity.	A
23.4. Payroll audit	Internal audit has implemented a risk-based approach to audit and has implemented a program of dedicated Internal Audits of Payroll. Payroll audits cover all line Ministries and over the past 3 years audits have been undertaken on a risk basis in 18 ministries, including all the large ministries, including Education, Health, Defense, Police, Military Forces, amongst others. OAG audits transactions of all line Ministries including auditing of all payrolls, including the existence of any ghost workers. The OAG confirmed during discussions that the payroll controls are effective, and no control weaknesses (such as existence of ghost workers) were detected.	A

Evidence for score

The coverage for this indicator is central government, so the assessment takes into consideration payrolls of extrabudgetary units. Annual payroll bills for central government are summarized in the table below. Payrolls outside BCG are immaterial for this indicator, amounting to less than 8% of the total central government payroll bill.

Entity	Amount F\$'000	Percentage
Budgetary Central Government	1,042,022	92%
Land Transport Authority	12,794	1%
Fiji Roads Authority	9,515	1%
Fiji Revenue and Customs	25,204	2%
Civil Aviation Authority	4,720	0%
Water Authority	28,872	3%
Tourism Authority	5,431	0%
Total	1,128,558	100%

MoF implemented a new Payroll system alongside the new FMIS, which both went live 1st August 2024. The new payroll is integrated with the new FMIS and has robust automated system controls. Budgetary control is exercised against payrolls and amendments through the integration between the payroll system and FMIS. Privileges within the system are based on user responsibilities and approvals hierarchies, prescribing what functions different users can undertake. The payroll system provides robust audit trails.

Payroll processing is efficient and nearly all employees' payroll amendments are processed in a timely manner, with minimal retroactive adjustments (primarily teachers and health workers), with amendments processed in a subsequent fortnightly payroll run, but these are extremely small. OAG undertakes full audit of the MDAs including payroll transactions—discussions with OAG confirmed timely payroll processing and absence of retroactive adjustments which would be significantly less than 1% of the total payroll bill.

The new payroll system operational at the time of assessment has strong automated system controls. The system enforces segregation of duties through user responsibilities and approvals hierarchies. The system produces robust audit trails of all payroll system activity.

As described in PI-26, Fiji has a strong system of Internal Audit which is based on risk-based practices and international standards. Over the past 3 years, Internal Audits have been undertaken in accordance with the risk assessments and has covered 18 ministries, including all the large ministries such as Education, Health, Defense, Police, Military Forces, etc. OAG undertakes financial audits for all line Ministries, which include audits of all payrolls. These checks include checking for the existence of any ghost workers. The OAG confirmed during discussions that payroll controls are effective, and no control weaknesses (such as existence of ghost workers) were detected.

Table 23.1: Integration of payroll and personnel records (at time of assessment)

Function	Y/N	By whom	Frequency (if applicable)	Divergence in practice across CG (or sample)
Staff hiring and promotion checked against approved staff list	Y	HR	Weekly as appropriate	None
Reconciliation of payroll and personnel database	Y	Payroll Section	Quarterly	None
Documentation maintained for payroll changes	Y	Payroll Section	Fortnightly/Weekly	None
Payroll checked and reviewed for variances from last payroll	Y	Payroll Section	Fortnightly/Weekly	None
Updates to personnel records and payroll	Y	HR/Payroll Section	Fortnightly/Weekly	None
Updates includes validation with approved staff list	Y	HR/Payroll Section	Fortnightly/Weekly	None
Audit trail of internal controls	Y	FMIS/Payroll system	Fortnightly/Weekly	None
Payroll audits in last three years. Define coverage.	Y	OAG and Internal Audit Unit	Regularly within past 3 years with risk-based approach	N/A

Data source: Based on BCG central payroll system, i.e., 92% of CG payroll. Payroll Manuals April 2024 (went live August 2024): 12.1 Payroll Employee Profile Setup; 12.2 Payroll Processing. Approval Matrix V2.1.1 (Excel); Audit trail report and User Transactions Report 18/11/2014. Copy of Excel Quarterly Reconciliation (Excel).

PI-24. Procurement

This indicator examines key aspects of procurement management. It focuses on transparency of arrangements, emphasis on open and competitive procedures, monitoring of procurement results, and access to appeal and redress arrangements. Coverage is CG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-24. Procurement (M2)		D
24.1. Procurement monitoring	Detailed data is available for FPO procurement activity, but this is only partial in respect of total Central Government procurement. Furthermore, no consolidated procurement plans are available. No data was available on any of the procurement undertaken by EBUs. Consequently, this is scored D.	D
24.2. Procurement methods	In the absence of EBU data no analysis by procurement method was possible. Furthermore, in the absence of any consolidated APPs, there is no data on the totality of procurement planned and undertaken.	D*
24.3. Public access to procurement information	Per Table 24.3 only one element is met by all procuring entities, i.e., bidding opportunities. The legal and regulatory framework (for procurement) and procurement statistics are only published for FPO. Neither FPO nor EBUs publish procurement plans; contract awards; or data on complaints. As the requirement is only met for one element, this dimension is rated D.	D
24.4. Procurement complaints management	For FPO procurement (for line Ministries) the PS Finance reviews complaints so is not involved in procurement except for MoF procurement. All other CG entities, the procuring entity is involved in hearing the complaints. Hence item (i) is not met, and dimension therefore is rated D.	D

Evidence for score

General

Procurement for line ministries is undertaken by the Fiji Procurement Office (FPO). EBUs have their own procurement rules, procedures, and processes as mandated in their respective establishment acts. Procurement is governed by regulations with the delegated authority from the FMA 2004. The Procurement Regulations 2010 (amended 2012 and 2020) apply to all line ministries but not to EBUs.

The FPO website contains reference to Procurement Regulations (2024) with some principles but not detailed regulations. The new Regulations are not due to come into force (along with a new Procurement Guidelines) until March 2025.

EBUs are covered by their establishment acts: the Fiji Roads Authority (FRA) Act 2010; Land Transport Act 1998; Water Authority Fiji (WAF) Act 2007; Civil Aviation Authority (CAA) of Fiji Act 1979; and Reform of Information Technology and Communications Act 2013.⁸ These laws specifically exclude each of these EBUs from the provisions of the FPO. However, these laws are also silent on their respective detailed procurement rules and processes. FRA's operations manual (Section 4 covers procurement) but this is not published. Similarly other EBUs do not publish their procurement procedures and processes on their respective websites.

The FMA and Procurement Regulations require that all line ministries prepare Annual Procurement Plans (APPs) to accompany their budget submissions. Not all ministries comply and FPO does not prepare or publish a consolidated APP. None of the EBUs publish APPs.

Bidding opportunities are published on respective websites for all CG entities, and the Tenderlink portal also provides information on current tenders. The Tenderlink website also provides further details of completed procurements, but this requires registration to access the data contrary to the PEFA requirement for easy access.

Procurement Information and Monitoring

The FPO maintains a detailed Excel database of all its procurement as shown in the table below. The database is significantly incomplete, based on budget data for capital expenditure and goods and services (totaling over F\$400 million). Furthermore, there is no consolidated APP available. More

⁸ ITC Services operated as an EBU in the last financial year and its procurement data is not included in the FPO data. (It is noted that in FY2024-25, ITC Services Department has been brought into the parent ministry, so moving forward its procurement should fall under FPO in the future).

significantly, procurement undertaken through FPO represents only a small proportion of total procurement for Central Government, with the largest part of procurement undertaken through the EBUs. Limited data was available on the exact quantum of procurement undertaken by EBUs or on the details of those procurement activities.⁹

Agency	Total Procurement \$ million	Above Threshold	Below Threshold	Waivers above Threshold	Waivers Below Threshold	% competitive methods	Threshold
FPO	68.8	68.2	0.6	4.9	-	92.8%	50,000
FRA	No data	No data	No data	No data	No data	No data	100,000
LTA	No data	No data	No data	No data	No data	No data	No data
WAF	No data	No data	No data	No data	No data	No data	No data
ITC	No data	No data	No data	No data	No data	No data	No data
CAA	No data	No data	No data	No data	No data	No data	No data
Total	Significantly Incomplete						

Data Source: Dataset 2021-24 for Procurement Report FY2023-24.

Table 24.1: Procurement monitoring (Last completed fiscal year)

Procurement method (Specify method in second column)		Coverage (from Table 24.2)	Databases or records are maintained (Y/N)			Data is accurate and complete	
			What has been procured	Value	Vendor	Third party assurance (Y/N, specify)	Sample (Y/N, specify)
With competition/ Above threshold	Tender						
	FPO	N/A	Y	Y	Y	N	N/A
	EBUs	N/A	N	N	N	N	N/A
	Waiver						
Without competition/ Below threshold	FPO	N/A	Y	Y	Y	N	N/A
	EBUs	N/A	N	N	N	N	N/A
	Waiver						
	FPO	N/A	None	N/A	N/A	N	N/A
	EBUs	N/A	N	N	N	N	N/A

Data source: FPO: Dataset for Procurement Report 2023-24. No data available for EBUs

Procurement methods

Limited data is available for line ministry procurement undertaken through FPO, but no data was available on procurement undertaken by EBUs. No consolidated APPs are available to give an indication of the totality of procurement undertaken. There is no third-party assurance on procurement data.

Table 24.2: Procurement method (Last completed fiscal year)

Procurement method (Specify method in second column)		Amount (F\$ million)	Coverage (% of total)
With competition/ Above threshold	Tender		
	FPO	63.3	N/A
	EBUs	No data	No data
	Waiver		
	FPO	4.9	N/A

⁹ Data received belatedly from EBUs, was as follows: FRA totaled less than \$2 million; LTA less than \$5 million; WAF \$7.8 million. This is clearly a fraction of the total procurement activity undertaken—even in the 2019 PEFA the databases reflected approximately \$2 billion and procurement activities have increased since then.

	EBUs	No data	No data
Subtotal 1/ Coverage 1			
FPO		68.2	N/A
EBUs		No Data	
Without competition/ Below threshold	Tender		
	FPO	0.6	
	EBUs	No data	No data
	Waiver		
	FPO	0	
	EBUs	No data	No data
Subtotal 2/ Coverage 2			
FPO		68.8	
EBUs		No data	No data
Total value of contracts/ Coverage			100%

Data source: FPO: Dataset for Procurement Report 2023-24. No data available for any EBUs

Publication of Procurement Information

Table 24.3 shows that only one element is met by all procuring entities, i.e., bidding opportunities. Legal and regulatory framework is only public for FPO but not for EBUs. Procurement statistics are only published for FPO. Neither FPO nor EBUs publish procurement plans; contract awards; or data on complaints. As the requirement is only met for one element, this dimension is rated D.

Table 24.3: Public access to procurement information (Last completed fiscal year)

Key procurement information to be made available to the public comprises:

Element/ Requirements	Met (Y/N)	Evidence used/Comments
(1) legal and regulatory framework for procurement	FPO: Y FRA: N ITC: N WAF: N	Procurement regulations available on the FPO website. The establishment acts for FRA, ITC, and WAF specifically exclude them from the FPO. The acts refer to establishing procedures and processes, but these are not published on their respective websites. FRA has published its 2015 Operations Manual but this has been superseded by the 2022 Manual which is not published.
(2) government procurement plans	FPO: N FRA: N ITC: N WAF: N	Only few ministries comply with submitting APPs. No consolidated plan is produced or published by FPO, FRA, or WAF. FRA just presents the Annual Budget as the “plan”.
(3) bidding opportunities	FPO: Y FRA: Y ITC: Y WAF: Y	FPO Website FRA/Tenderlink Websites ITC/Tenderlink websites WAF/Tenderlink websites
(4) contract awards (purpose, contractor and value)	FPO: N FRA: N ITC: N WAF: N	Website contains tender details but not value/awardee. Full details can be obtained from the Tenderlink website for all entities (full Central Government) but it requires registration (contrary to the PEFA requirement for easy access).
(5) data on resolution of procurement complaints	FPO: N FRA: N ITC: N WAF: N	FPO has records of complaints, but these are not published. No records of complaints for any of the other entities.
(6) annual procurement statistics	FPO: Y FRA: N ITC: N WAF: N	Annual Report with statistics published. Other entities – no published statistics

Data source: FRA Act: <https://www.laws.gov.fj/Acts/DisplayAct/855#> (§16 stipulates FRA is not covered by Procurement Regulations but shall establish its own procurement process and plan). ITC Act <https://www.laws.gov.fj/Acts/DisplayAct/1186> Part 4 (§14-16 refers to procurement). LTA Act:

<https://www.laws.gov.fj/Acts/DisplayAct/2627> (No specific Reference to procurement). WAF Act: <https://www.laws.gov.fj/Acts/DisplayAct/2936> (no reference to procurement). FRCS Act <https://www.frsc.org.fj/wp-content/uploads/2019/10/Fiji-Revenue-and-Customs-Act-1998.pdf> FPO Feedback Complaints Register.xlsx.

Procurement Complaints

The procurement regulations 2010 (amended 2020) sets out the complaints procedures in sections 49 to 51. Primarily, the complaint will be reviewed and heard by the Permanent Secretary Finance. Section 51 references an appellant's right to judicial review. The PS Finance is responsible for hearing and reviewing procurement complaints, so is independent from the procuring entity for other Ministries but not for MoF itself. For other entities, there is no independence from procurement entity in hearing complaints. Element 1 is therefore not met, and Indicator is scored D accordingly.

None of the entities require payment to hear complaints. No complaints data is maintained by any entities.

Table 24.4: Procurement complaint management (Last completed fiscal year)

Complaints are reviewed by a body that:

Element/ Requirements	Met (Y/N)	Evidence used/Comments
(1) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions	FPO: Y FRA: N ITC: N WAF: N	Partial – not independent for MoF Procurement Procurement Regulations
(2) does not charge fees that prohibit access by concerned parties	FPO: Y FRA: Y ITC: Y WAF: Y	FPO Procurement Regulations
(3) follows processes for submission and resolution of complaints that are clearly defined and publicly available	FPO: Y FRA: Y ITC: N WAF: N	Procurement Regulations FRA Operations Manual 2015 FRA Operations Manual 2022
(4) exercises the authority to suspend the procurement process	FPO: Y FRA: N ITC: N WAF: N	Partial (not MoF)
(5) issues decisions within the timeframe specified in the rules/ regulations	FPO: N FRA: N ITC: N WAF: N	No Data
(6) issues decisions that are binding on every party (without precluding subsequent access to an external higher authority)	FPO: N FRA: N ITC: N WAF: N	No data

PI-25. Internal controls on non-salary expenditure

This indicator measures the effectiveness of general internal controls for non-salary expenditures. Specific expenditure controls on public service salaries are considered in PI-23. Coverage is CG at time of assessment.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-25. Internal controls on non-salary expenditure (M2)		B+
25.1. Segregation of duties	Segregation of duties is clearly laid down and adequately observed in most of the processes of authorization, asset custody, recording, reconciliation, and audit. Further documentation and clarification of details are needed in some steps particularly within the MOF.	B

25.2. Effectiveness of expenditure commitment controls	Comprehensive expenditure commitment controls are in place and effectively limit commitments to projected cash availability and approved budget allocations.	A
25.3. Compliance with payment rules and procedures	Most payments were significantly compliant with regular payment procedures. Most exceptions were properly authorized in advance and justified.	B

Evidence for score

Table 25.1 and 25.2: Segregation of duties and commitment controls (At time of assessment)

Segregation of duties		Commitment controls		
Prescribed throughout the process (Y/N)	Responsibilities C= Clearly laid down M= Clearly laid down for most key steps N= More precise definition needed	In place (Y/N)	Limited to cash availability A= All expenditure M= Most expenditure P= Partial coverage	Limited to approved budget allocations A= All expenditure M= Most expenditure P= Partial coverage
For the BCG				
Y for most processes	C	Y	A	A
For statutory authorities				
Y	C	Y	A	A

Data source: Financial Management Act; Finance Instructions; Other regulations; FMIS Manual; Information and documents provided by the statutory authorities; Audit reports.

Segregation of Duties

The FMA 2004 and its amendments have described the roles and responsibilities of the Minister and Permanent Secretary responsible for finance, as well as the responsible authorities in the budget sector agencies, off-budget entities, and independent offices. Additionally, the 2010 Finance Instructions, the Procurement Regulations, and other regulations issued by the MoF have specified responsibilities of budget sector agencies. The FMIS Manual also has built-in controls as to who and how much on different levels of authorizations.

Decisions on requisitions, authorization, procurement, contracting, and payments, as well as revenue collections, bank account management, and recording of transactions and asset custody are undertaken at the agency level. Within an agency is a Finance Manual that describes the delineation of responsibilities. There were no issues raised so far by the Office of the Auditor General.

There is a central internal audit function (PI 26) and external audit (PI 30) with clear legal mandates and standard procedures.

The assessment team also consulted selected statutory authorities such as the FRA, WA FRCS, and Land Transport Authority (LTA). All of these entities have their own Procurement Rules which are consistent with the principles of the national government regulations. They also have a Financial Operations Manual. Segregation of duties is one of the key principles of internal control that these entities are observing. There is a policy-making Board which reports to the responsible Minister. They have also an internal audit unit.

The process and delineation of responsibilities of payment and acquittal of grants¹⁰ between the national government and the statutory authorities is clearly laid down in a grant agreement. Within the statutory authorities, financial transactions are executed based on a manual of procedures (FRA¹¹ provided a copy) that describe delineation of responsibilities.

¹⁰ As discussed in PI 6, total grants to statutory authorities was \$799million representing about 20% of the total BCG expenditures in 2023-24.

¹¹ As discussed in PI 6, the FRA expenses represent 65% of the outside expenditures of sampled statutory authorities, and outside expenditures was less than 1% of total BCG expenditures.

Exceptions

The case of Public-Private Partnerships which are administered by MoF is a new type of transaction that needs clear rules and regulations and delineation of responsibilities with the sector ministry and within the MoF. The new FMIS procedures and subsequent amendments in the FMA would also need corresponding changes in the Finance Instructions.

The processes and delineation of roles within units of MoF on authorization of fund transfers and virements requested by agencies, are implemented clearly in practice by the Budget and Treasury Divisions, as verified during the PEFA assessment, but there is a need for proper documentation of the authorization process.

Commitment Controls

Commitment control is facilitated by the FMIS. There is a clear procedure on expenditure control, starting from the soft commitment stage (review of request to purchase) to the hard commitment stage (request to approve a purchase order or non-purchase order request). The FMIS automatically controls commitments in two levels against the appropriation and cash availability through the monthly cash forecast and monitoring. Recording of expenditures funded directly by donors is checked first with the donor.

Statutory authorities as mentioned above have their own accounting system. They also implement a budget control system which includes the budget approved by their Boards and availability of cash release from the Treasury Division according to the grant agreement. A copy of the FRA policy on expenditure authorization and financial delegation limit was provided. There were no significant audit findings on overspending or lack of expenditure control in any of the major statutory authorities.

Comprehensive expenditure commitment controls of the BCG including the major statutory authorities are in place and effectively limit commitments to projected cash availability and approved budget allocations.

Table 25.3: Compliance with payment rules and procedures (At time of assessment)

Payments compliant with procedures	Exceptions are properly authorized and justified
A= All expenditure M= Most expenditure Maj.= Majority	A= All expenditure M= Most expenditure Maj.= Majority
M	M

Data source: Audit report on the whole of government financial statements and statutory authorities; Information provided by the Treasury, statutory authorities, and Office of the Auditor General

Compliance with rules and procedures

During consultations with the Office of the Auditor General, it was learned that most of the audit findings were on few and insignificant violations of procurement regulations and lack of documentation of some payments and unreconciled balances data especially on Trust Funds accounts (The OAG indicated \$45.5million in the 2021-22 report) which are extra-budgetary operations. Findings were also not considered significant by the OAG, thus an unqualified opinion for the whole of government financial statements of 2022-23. Compared however with previous year, the situation has improved, as confirmed by the OAG in a consultative meeting during this assessment. The internal audit follow-up report (see PI 26) also indicated actions gradually but consistently taken by the agencies on audit recommendations.

During emergency situations such as natural disasters, there were a few exceptions to the procedures, but these were properly justified and authorized within the year.

The audit reports on the major statutory authorities did not raise significant issues on expenditures and payments. The latest audit opinions were all unmodified.

Based on the previous year's audit opinion and confirmation from the Office of the Auditor General on most recent performance, it can be estimated that most payments of the BCG including the major

statutory authorities were significantly compliant with regular payment procedures. Most exceptions were properly authorized in advance and justified.

PI-26. Internal audit

This indicator assesses the standards and procedures applied in internal audit. Coverage is CG at time of assessment for PI-26.1 and 26.2, for the last completed fiscal year for PI-26.3, and the audit reports that should have been issued in the last three fiscal years for PI-26.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-26. Internal audit (M1)		D+
26.1. Coverage of internal audit	Internal audit is operational for almost all central government entities representing 97% of expenditures, and all of revenues.	A
26.2. Nature of audits and standards applied	Internal audit activities are focused on the adequacy and effectiveness of internal control. A self-assessment type of quality assurance process is put in place within the internal audit function, while waiting for the establishment of an internal audit committee in government. Audit activities meet professional standards, including focus on high-risk areas	A
26.3. Implementation of internal audits and reporting	Annual audit programs exist. The majority of the programmed BCG audits were completed, but the estimated value was only around 15% of the audits planned as of the last completed fiscal year.	D
26.4. Response to internal audits	All of the audited BCG entities in the last three fiscal years have provided at least partial response within 12 months. Majority of the recommendations have at least partial response from the auditees.	B

Evidence for score

Table 26.1: Coverage of internal audit (At time of assessment)

Ministry (or Department or Agency)	Operational internal audit function (Y/N)	Internal Audit unit in charge (specify)	Budgeted expenditure		Budgeted revenue	
			Amount (\$'000)	% of total	Amount (\$'000)	% of total
Budget Sector Agencies, except for independent offices	Y	Internal Audit and Good Governance Division, MoF	3,551,265	84%	3,700,724	99.9%
Sampled Statutory Authorities				16%		.03%
Fiji Road Authority	Y	Internal Audit Unit- FRA	285,313	9%	0	0%
Water Authority	Y	Internal Audit Team- WAF	144,337	6%	967	0.03%
Land Transportation Authority	Y	Internal Audit Unit- LTA	27,053	1%	0	0%
Total Audit Coverage			4,218,151	100%	3,701,691	100%
Total BCG			4,339,870	97%	3,700,724	100%

Data source:

Financial Management Act; IA Charter; 2023-24 Budget Estimates; Reports of Statutory Authorities; Information provided by the central IA unit at MoF and sampled statutory authorities.

Internal Audit Coverage

Based on the IA Charter, the internal audit function of the Internal Audit and Good Governance Division (IAGGD) in the MoF shall cover all budget sector agencies, except that the permanent secretary may not order the audit of an independent office, unless requested by the responsible authority of an independent office.

As indicated by the OAG and IAGGD, some of the statutory authorities have their own internal audit units. During this assessment, three statutory authorities confirmed the existence of an internal audit function in their organizations (FRA; WAF; and LTA). Each of them has an organic structure for Internal Audit- an IA Team, and an Audit Committee reporting to the Board of Directors. The estimated

expenditures of these statutory authorities was 15% of the total audit coverage. Their estimated revenues are outside the grants from the national government (refer to PI 6).

The budgeted expenditure of these agencies and statutory authorities covered by internal audit in 2023-24 comprised of about \$4.2 Billion out of the total BCG expenditure of \$4.3 Billion or 97%. For revenues, all of the total estimated revenues were covered by internal audit. Independent bodies are non-revenue generating agencies.

Internal audit is operational for almost all central government entities representing 97% of expenditures, and all of revenues.

Table 26.2: Nature of audits and standards applied (At time of assessment)

Primary focus (Compliance / adequacy and effectiveness of internal control)	Quality assurance process (Y/N)	Professional standards (Y/N)	Risk based approach (Y/N)
Adequacy and Effectiveness of Internal Control	Y	Y	Y

Data source: IA Manual; Audit Plan; Audit Reports; Engagement Plan; Annual Report; Follow up Report; Client Feedback Form; Checklist.

Internal Audit Standards and Practices

The focus of the audit activities was to assess the adequacy of internal control and risk management and the quality of governance. Most of these activities focused on specific expenditure of a program or project. There were also audits focused on revenue management and asset management processes. A whole of government audit was undertaken for the payroll and procurement process too. The audit activities likewise included an assessment of governance in terms of strategic management, transparency, and accountability.

The IAGGD has been adopting and applying international internal auditing standards. There is a risk assessment framework where the high-risk areas have been identified. Examples of risks that were raised include lack of guidelines and standards; inadequacy of reconciliation and checking mechanism.

In terms of quality assurance, a client feedback form was usually sent to all the auditees right after the audit engagement. The results of those feedback including a self-assessment were used as inputs in the improvement of their subsequent audit processes. These improvements were discussed in the 2023-24 annual report of the IAGGD. The Division also updated its audit manual for the use of the internal auditors. The auditors used a checklist of the procedures verified by a team leader whether they have complied with the manual. The Division showed interest in enhancing the competency of the staff by sending at least two staff a year on international conferences about international auditing standards.

As this indicator covers the central government, this assessment also looked at whether there is an active Internal Audit (IA) function in extra-budgetary entities as identified in PI 6. In all of the three sampled statutory authorities, there is an audit committee within the Board that identifies the high risks and the areas to be audited.

Internal audit activities are focused on the adequacy and effectiveness of internal control. A self-assessment type of quality assurance process is in place within the internal audit function. Audit activities meet professional standards, including focus on high-risk areas.

Implementation of Audit Plans

For purposes of this assessment, only the risk and process-based internal audits were included, and the special investigations were excluded. A similar report of audit plan implementation from the sampled statutory authorities was not made available to this assessment.

Table 26.3: Implementation of internal audits and reporting (Last completed fiscal year)

Ministry (or Department or Agency)	Expenditure in last completed fiscal year (amount) (\$000)	Existence of an annual program (Y/N)	Completed audits as share of programmed audits (%)	Audit report completed and distributed to appropriate parties (Y/N)
1. Ministry of Trade Co-operatives/Department of National Trade Measurement and Standards	2,602	Y	0.31%	Y
2. Republic of Fiji Military Forces	5,550	Y	0.67%	Y
3. Ministry of Employment, Productivity & Industrial Relations	500	Y	0.06%	Y
4. Ministry of Forestry	10,237	Y	1.24%	Y
5. Ministry of Waterways	16,200	Y	1.96%	Y
6. Ministry of Youth & Sports	2,900	Y	0.35%	Y
7. Ministry of Local Government	16,905	Y	2.05%	Y
8. Ministry of Fisheries	1	Y	0.00%	Y
9. Ministry of Rural Maritime & Disaster Management	1,103	Y	0.13%	Y
10. Fiji Correctional Services (Payroll, HRMIS)	25,540	Y	3.09%	Y
11. Fiji Correctional Services (Asset Management)	25,540	Y	3.09%	Y
12. Republic of Fiji Military Forces	6,114	Y	0.74%	Y
13. Ministry of Women, Children & Social Protection	800	Y	0.10%	Y
14. Ministry of Finance (Purchase Orders)	7,557	Y	0.91%	Y
15. Ministry of Education	3,686	Y	0.45%	N= in progress
16. Ministry of Lands	2,065	Y	0.25%	N= in progress
17. Ministry of Finance (Losses)	451	Y	0.05%	N= in progress
18. Ministry of Housing	5,000	Y	0.60%	N= in progress
19. Fiji Police Force (Asset Management)	9,165	Y	1.11%	N= in progress
20. Fiji Police Force (Revenue Management)	8,319	Y	1.01%	N= in progress
21. Ministry of Employment	611	Y	0.07%	N= in progress
22. Ministry of Health (Covid 19 Response)	7,100	Y	0.86%	N= in progress
23. Ministry of Health (Payroll)	221,415	Y	26.79%	N= in progress
24. Ministry of Finance (Fleet and Accident)	698	Y	0.08%	N= in progress
25. Ministry of Education	366,939	Y	44.40%	N= in progress
26. Ministry of Finance (Tender Process)	1,363	Y	0.16%	N= in progress
27. Ministry of Social Welfare, Children and Social Protection	78,156	Y	9.46%	N= in progress
Total Audit Activities 2023-24	826,517		100.00%	

Data source: Expenditure value and list of audit activities and status as of 2023-24 was provided by the IAGGD, MoF.

For 2023-24, there were 27 audit activities planned and conducted, by the IAGGD. There was an annual audit plan, an audit engagement plan, a quarterly report, and annual report indicating the progress of the audit plan. Reports were produced and distributed. Copies of these documents were made available to this assessment. The MoF and OAG also confirmed that they received regularly the reports produced by the IAGGD.

Out of the 27 planned audit by the IAGGD, the final reports of 14 completed audits were distributed, and 13 have not yet been finalized and distributed as of end of last fiscal year. However, the estimated value of the audits still in progress as of last completed fiscal year was 85%.

Annual audit programs exist. The majority of the programmed audits were completed, with reports distributed during 2023-24, but in terms of value, the audits completed was only around 15%.

Additional Observation

There was a high staff turn-over in the last fiscal year which may have contributed to the reduced performance compared to the previous PEFA assessment.

As of the time of this assessment, only two remain in progress.

Table 26.4: Response to internal audits (Reports issued within last three fiscal years)

Ministry (or Department or Agency)	Expenditure in last completed fiscal year (\$'000)	Expenditure in last completed fiscal year (%)	Extent of management response to audit recommendations			Management response within 12 months (Y/N)
			Full response (Y/N)	Partial (Y/N)	None (Y/N)	
Reports issued 2022-23		100%				
Ministry of Rural and Development/ Water and Sanitation Projects	14,257.9	8%		Y		Y
RFMF/Capital Construction Projects	141,784.7	84%		Y		Y
Ministry of Fisheries/Assets Management Process	13,736.9	8%		Y		Y
Reports issued 2021-22		100%				
Ministry of Rural Maritime & Disaster Management/Governance Process	13,582.9	40%		Y		Y
Ministry of Public Works, Transport & Meteorological Services/Payroll & Leave Audit	20,561.9	60%		Y		Y
Reports issued 2020-21		100%				
Ministry of Infrastructure and Meteorological Services/Recruitment & Selection, Training and Leave Process	24,207.70	64%		Y		Y
Ministry of Rural Development and Disaster Management/Community Access Roads, Foot Paths and Foot Bridges (CARFF)	13,887.20	36%		Y		Y

Data source: Follow-up Analysis from the IAGGD, MoF; Budget documents 2022-23 to 2024-25.

Note: The expenditure estimates were based on the actual expenditures reported in the budget document.

Responses and Follow Up on Audit Recommendations

Regular follow-up of the response or actions taken by the auditees was made by the IAGGD at least six times per year on average. Monitoring and follow-up of the response and actions taken by the auditees has been performed by the IAGGD as evidenced by a copy of follow-up reports made available to this assessment. A similar report from the sampled statutory authorities was not made available to this assessment.

A follow-up analysis of management response from 2020-21 up to 2023-24 reports issued by the IAGGD showed that for all of the entities audited, there was at least partial response. Partial response means actions have been taken on the audit recommendations. Also, based on the interim follow up reports, responses were received within 12 months.

PILLAR SIX: Accounting and Reporting

This pillar includes three indicators which assess whether accurate and reliable records are maintained, and information is produced and disseminated at appropriate times to meet decision-making, management, and reporting needs.

Overall performance

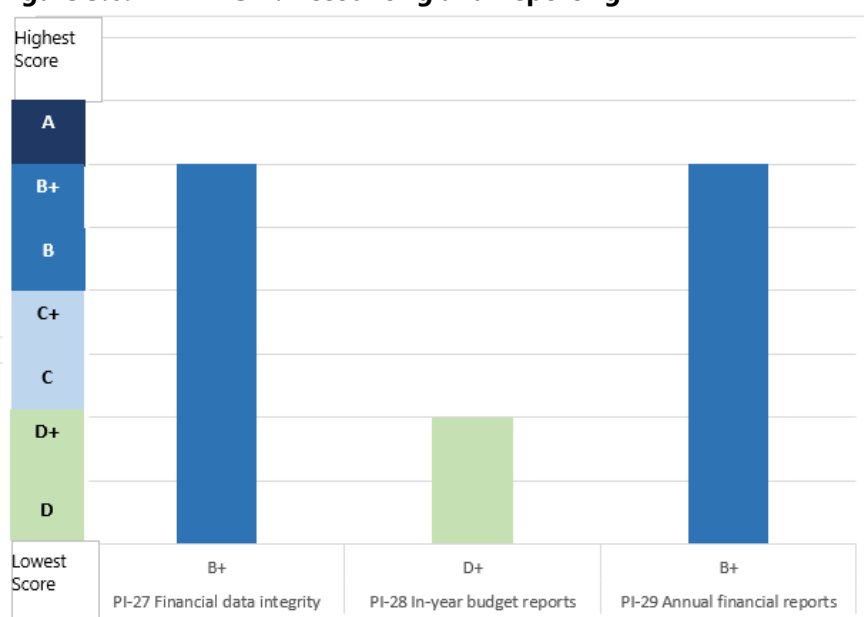
A new and more efficient FMIS was developed with support from development partners. . This reform is expected to enable more frequent monitoring and reliable reconciliations within the accounting system. The new BCS/CoA was also developed and adopted in the government accounting system to make the next reports comparable to the budget.

Monthly reporting to government of the status of budget execution has been done through the monthly interim financial statements and quarterly appropriation statements. However, the published information on budget execution by economic classification as presented in the budget document is lacking.

Efforts have focused on improving the timeliness of the consolidated financial statements. Except for the lack of data on non-financial assets, this progress in improving data quality was recognized in the audit reports as more accounting issues have been resolved.

The results of the assessment under this pillar are summarized below:

Figure 3.6. PILLAR SIX: Accounting and Reporting



Recent and ongoing reform activity

The new FMIS was installed and implemented by the MoF and all ministries (went live on August 2024). Continuing enhancements in the FMIS are ongoing, such as the development of an asset register. Training of FMIS users is likewise ongoing. The development of asset reporting through the FMIS is also being planned starting next year. A new Chart of Accounts based on the approved budget classification has now been incorporated into the accounting system.

PI-27. Financial data integrity

This indicator assesses the extent to which treasury bank accounts, suspense accounts, and advance accounts are regularly reconciled and how the processes in place support the integrity of financial data.

Coverage is CG for PI-27.1 and BCG for PI-27.2, 27.3 and 27.4. Time period is at time of assessment for all four dimensions, specifically covering the preceding fiscal year for PI-27.1, 27.2 and 27.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-27. Financial data integrity (M2)		B+
27.1. Bank account reconciliation	Bank reconciliation statements were prepared on a monthly basis and available within a month for the Consolidated Fund Accounts. The same was said for statutory authorities; however, no evidence was submitted for the statutory authorities.	D*
27.2. Suspense accounts	There were three clearing accounts used but fully cleared as of end of 2023-24. Reconciliation was undertaken monthly and cleared with zero balance before the end of the last fiscal year.	A
27.3. Advance accounts	All imprests and accountable advances are monitored and reconciled monthly and cleared within a month. There is zero balance as of the end of each month and at year-end of the last fiscal year.	A
27.4. Financial data integrity processes	Access and changes to records is restricted and recorded, and results in an audit trail. There is an operational body, unit or team in charge of verifying financial data integrity.	A

Evidence for score

Table 27.1: Bank account reconciliation (At time of assessment, covering the preceding fiscal year)

All active accounts (Y/N)	Frequency (W/M/Q)	Within (1/4/8 weeks)	Aggregate and detailed level (Y/N)
Y =for the budgetary central government (77%)	M	4 weeks	Y
N= for sampled statutory authorities			
Fiji Roads Authority (4.5%)	No evidence	1 week (no evidence submitted)	No evidence
Water Authority of Fiji (14.7%)	No evidence	1 week (no evidence submitted)	No evidence
Fiji Revenue and Customs Services (3.1%)	No evidence	1 week (no evidence submitted)	No evidence
Land Transportation Authority (0.3%)	No evidence	1 week (no evidence submitted)	No evidence
Civil Aviation Authority (0.2%)	No evidence	1 week (no evidence submitted)	No evidence

Data source: Status of 2023-24 Bank Reconciliation of all BCG bank accounts as of July 2024 Treasury Division.

Bank Reconciliation

Bank reconciliations in 2023-24 for the BCG bank accounts were undertaken at least on a monthly basis and reported within 4 weeks. The major statutory authorities confirmed that they complete the bank reconciliation statements within a week, but no evidence was submitted.

Table 27.2 and 27.3: Suspense and advance accounts (At time of assessment, covering the preceding fiscal year)

Suspense accounts reconciliation			Advance accounts reconciliation		
Frequency (M/Q/A)	Within 1 month; 2 months; N = > 2	Timeliness of clearance Y= no later than end of fiscal year (unless justified)/N	Frequency (M/Q/A)	Within: 1 month; 2 months; N = > 2	Accounts cleared timely A= All without delay M= Most without delay F= Frequent with delay N= <F
M	1 month	Y	M	1 month	A

Data source: For advances- 2023-24 monthly Balances as provided by the Treasury; For suspense account- Information provided by the Treasury.

Suspense Accounts

During 2022-23 and 2023-24, there was no suspense account used and reported (interdepartmental clearing account; bank lodgement clearance account; and the withholding tax payable account). The process of reconciliation was done monthly and completed within the next month, while final clearing of these accounts was done before the end of the fiscal year as part of the closing procedures. Samples of monthly reconciliation were provided by the Treasury. However, there were three clearing accounts used. All of these accounts have been cleared before end of 2023-24 with zero balances as indicated in the data set generated from the FMIS.

Advance accounts/imprests

The 2010 Finance Instructions (Sections 44 and 45) and an Accountable Advance Policy issued in June 2014 govern the procedures on advances. Examples of advances are for employees' travel; for one-off activity; or to vendors; or as petty cash or imprests.

These accounts are monitored and reconciled monthly and at year-end, within a month. Based on a data set generated from the FMIS as provided by the Treasury Division, there is zero balance under the accountable advances and imprests issued during 2023-24 as of July 31, 2024.

Table 27.4: Financial data integrity (At time of assessment)

Access and changes to records		
Restricted and recorded (Y/N)	Results in audit trail (Y/N)	Financial integrity verified by operational team (Y/N)
Y	Y	Y

Data source: *New FMIS Manual; Information provided by the Treasury and line ministries.*

Data Integrity

A new FMIS was developed and launched last August 2024. An FMIS manual was also developed for each of the key features, facilities, and processes, including its system administration. Training of MoF and line ministries were conducted.

There is a dedicated FMIS team within the Treasury Division whose main function is to verify and ensure the integrity of the data in the FMIS, with the cooperation of key stakeholders. The FMIS team serves as the system administrator. The FMIS Team together with the users from the Treasury Division, other MoF divisions and line ministries work with each other to ensure the integrity of the data.

Part of the FMIS manual is a clear guideline and process for screening and authorizing users and their level and areas of access. A snapshot of a recorded audit trail was provided. The audit trail can track record of who, what, where, when an operation type was made.

Database back-up and archiving is currently done through the cloud system of the software developer under a contract with the MoF.

There is a continuing review and enhancement of the FMIS features/functionality. FMIS consultants continue to provide technical assistance with funding from development partners.

Access and changes to records is restricted and recorded, and results in a robust audit trail. There is an operational body, unit or team in charge of verifying financial data integrity.

PI-28. In-year budget reports

This indicator assesses the comprehensiveness, accuracy and timeliness of information on budget execution. In-year budget reports must be consistent with budget coverage and classifications to allow monitoring of budget performance and, if necessary, timely use of corrective measures. Coverage is BCG for the last completed fiscal year.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-28. In-year budget reports (M1)		D+
28.1. Coverage and comparability of reports	The monthly interim financial statements compare the actual with the annual budget by administrative classifications and by economic classifications as presented in the budget document. The report includes transfers made to independent offices and off-budget entities.	A
28.2. Timing of in-year budget reports	Except for some months during 2024, the monthly reports for 2023-24 were issued within two weeks. The longest time lag was three months	D
28.3. Accuracy of in-year budget reports	There are no major data concerns. The report is useful for budget execution analysis as it compares the monthly actual with the annual budget both by economic and administrative classifications. Every monthly report also compares the year to date actual receipts and payments with the yearly budget.	B

Evidence for score

Section 43 and 44 of the FMA requires a quarterly appropriation statement and a mid-year fiscal statement to be tabled to the Parliament. These are the only regular in-year financial reports that are published. For the MoF management, the Treasury Division submits a consolidated monthly report of actual receipts and payments with a comparison against the annual budget. The line ministries prepare their own management reporting as they have direct access to the FMIS.

For purposes of this indicator, the monthly interim financial statements (not published) shall be the focus of assessment.

Table 28.1, 28.2 and 28.3: In-year budget reports

Coverage and comparability			Timeliness		Accuracy		
Allows direct comparison to original budget (Y/N)	Level of detail A=All budget items P= Partial aggregation M= Main administrative headings E=Main economic headings	Includes transfers to de-concentrated units (Y/N)	Frequency W/M/Q N= >Q	Within: 2/4/8 weeks N= >8weeks	Material concerns (Y/N)	Half Year/Yearly Analysis prepared (Y/N)	Payment info E=Expenditure C=Commitments
Y	A- all budget items	Y	M	M=4 weeks for majority of the months during 2023-24 3 months longest	N	Y	E

Note: W=Weekly; M=Monthly; Q=Quarterly

Data source: Monthly Interim Financial statements for whole of government, MoF.

Monthly Interim Financial Statements

This report submitted to the MoF management presents a comparison of the monthly actual and year to date against the annual budget of revenues and expenditures. The data are presented by administrative and economic classification. It captures grants and transfers to off-budget entities.

Timeliness of In-Year Reporting

In seven of the 12 months during 2023-24, the monthly reports for 2023-24 were issued within two weeks. In five of the 12 months, the report was submitted within two months or a quarter. Thus, the rating is D. It was during this period, that the Treasury Division focused on the development and preparatory work for the installation of the new FMIS.

Data Accuracy/Integrity of In-Year Reports

The data were generated by the Treasury from the FMIS. According to the Treasury, there are no major data concerns. The report is useful for budget execution analysis as it compares the monthly actual with the annual budget both by economic and administrative classifications. Every monthly report also compares the year to date actual receipts and payments with the yearly budget, the original and revised. Commitments are not captured in the report.

PI-29. Annual financial reports

This indicator assesses the extent to which annual financial statements are complete, timely, and consistent with generally accepted accounting principles and standards. Coverage is BCG for the last completed fiscal year for PI-29.1, the last annual financial report submitted for audit for PI-29.2, and the last three years' financial reports for PI-29.3.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-29. Annual financial reports (M1)		B+
29.1. Completeness of annual financial reports	Financial reports for budgetary central government were prepared annually and were comparable with the approved budget. They contained information on at least revenue, expenditure, financial assets, financial liabilities, guarantees, and long-term obligations	B
29.2. Submission of reports for external audit	Financial reports for budgetary central government for the last completed fiscal year were submitted for external audit within 6 months of the end of the fiscal year.	B
29.3. Accounting standards	There was consistency of the national standards overtime. All the FMA and the IPSAS-Cash mandatory requirements were complied with. Most of the encouraged disclosures in the IPSAS-Cash were included in the reports. The modifications from cash basis were all disclosed in the Notes (2.1; 17; and 18).	A

Evidence for score

Table 29.1 and 29.2: Annual financial reports

Content of annual financial reports			Most recent financial report submitted for audit			
Prepared annually (Y/N)	Comparable with approved budget (Y/N)	Operating or cash flow statement (revenue and expenditure) (Y/N)	Balance Sheet C=Cash only FO=Financial assets & liabilities only F=Full	FY of report most recently submitted	Date of submission	Within: (3/6/9 months)
Y	Y	Statement of Receipts and Payments-Y Statement of Revenue and Expenses= Y Statement of Assets and Liabilities= Y Statement of Comparison between Budget and Actual Amounts- Y	FO	2022-23	January 9, 2024	Within 6 months

Data source: 2022-23 whole of government financial statements submitted to audit.

Completeness of Annual Financial Reports

The annual accounts listed in the Act were three primary statements:

- (i) the whole of Government financial statements;
- (ii) the annual appropriation statement; and
- (iii) the annual budget statement.

Further, the FMA prescribes the content of the financial statements under a reliable accrual accounting system, and if accrual accounting is not available, the requirements are as follows:

- (i) one or more statements of receipts and payments;
- (ii) a statement of assets and liabilities, including details of cash balances, investments, sinking funds and borrowings; and
- (iii) a statement of contingent liabilities.

Section 45, Part VII of the FMA 2004 prescribes the submission by the Minister (of Finance) of the annual report to the Parliament within nine months after the end of each financial year. At the time of the assessment, the 2023-24 financial statements were still being finalized, and are not yet due for submission to audit. Thus, for PI 29.1, the 2022-23 annual financial report which is the latest submitted for audit was used as reference.

The 2022-23 financial reports for budgetary central government are prepared annually and are comparable with the approved budget. They contain information on at least revenue, expenditure, financial assets, financial liabilities, guarantees, and long-term obligations. The Statement of Assets and Liabilities did not include tangible or non-financial assets.

Table 29-1.1 Annual financial reports

Completeness					Date of submission for external audit	
Prepared annually (Y/N)	Comparable with approved budget (Y/N)	Information F=Full P=Partial B=Basic	Cash flow statement (Y/N)	Balance Sheet C=Cash only FO=Financials only F=Full	Date of submission for audit	Within: (3/6/9 months)
2023-24	Could Not Be Determined; No Evidence				Still for compilation	Pending
2022-23	Y	P= excludes non-financial assets	Y	FO	January 9, 2024	Within 6 months
2021-22	Y	P= excludes non-financial assets	Y	FO	May 15, 2024	Within 22 months
2020-21	Y	P= excludes non-financial assets	Y	FO	June 20, 2023	Within 23 months

Data source: Date of submission is based on copy of the report and information from the Treasury as confirmed by the OAG.

Financial reports for budgetary central government for the last completed fiscal year 2022-23 were submitted for external audit within 6 months of the end of the fiscal year. The COVID-19 pandemic has significantly contributed to the delays in reporting during 2020-2022. From 2022-23, efforts were made such as constant monitoring, setting of earlier closing date, and along with recovery from the pandemic, the timeliness has improved.

Table 29.3: Accounting standards (Last annual financial report submitted for audit)

Accounting standards applied to all financial reports				
Type of standard I= International C= Country	Consistency M=Most IS applied Mj= Majority IS applied C=Consistent over time only	Disclosure on standards (Y/N)	Disclosure on variations (Y/N)	Gaps explained (Y/N)

I= IPSAS-Cash 2017 version; and the C= Financial Management Act for other statements	M= Most IS applied	Y	Y	Y
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Note: IS = International standards

Data source: *Financial Management Act of 2004; Finance Instructions 2010; 2020-21; 2021-22; 2022-23 audited financial statements for whole of government.*

For purposes of this assessment based on the most recent *AgilePEFA* Guidelines, the reference period looked at first in terms of accounting standards, is the latest financial report submitted for audit which is 2022-23. To evaluate consistency, the previous two years' reports (2020-21 and 2021-22) were assessed.

Standards Adopted/Implemented

Based on the financial reports in 2020-21, 2021-22, and 2022-23, the notes to the financial statements indicated that the standards adopted was a combination of the national standards as mandated in the FMA, and international standards, specifically IPSAS-Cash 2017 version particularly on reporting.

In the last three years, the national government has used a modified cash basis of accounting (Section 17 of the Notes to the financial statements). Invoices were recorded as payables at the time they are received. Likewise, loans were recorded as a liability when the loan proceeds are received, and the amount left unpaid at the end of each period are shown as liability. Advances were recorded as receivables at the time of payment.

The adoption of modified cash basis accounting is in accordance with the provisions of the FMA to give an option to the government to transition from cash basis to accrual basis accounting. The law has prescribed two different options for statements depending on the extent of adopting the accrual accounting standards.

There was consistency of the standards used overtime. All FMA and the IPSAS-Cash mandatory requirements were complied with. Most of the encouraged disclosures in the IPSAS-Cash were included in the reports. The modifications from cash basis were all disclosed in the Notes (2.1; 17; and 18).

PILLAR SEVEN: External Scrutiny and Audit

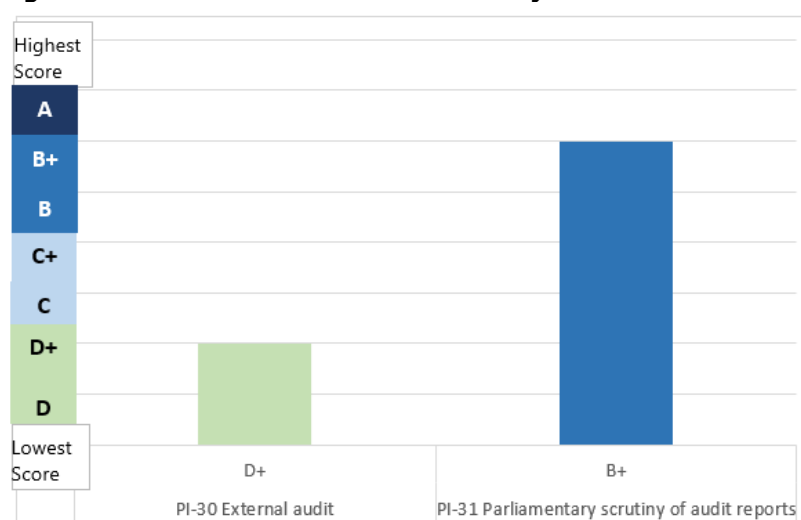
This pillar includes two indicators which assess whether public finances are independently reviewed and there is external follow-up on the implementation of recommendations for improvement by the executive.

Overall performance

External scrutiny and audits are currently performed by the Office of the Auditor General (OAG) Fiji, which reports the results of audits and other work to the Legislature at least once a year. For PI 30, External Audit, they didn't perform as well as the last assessment. For the period under assessment, the financial statements of the whole of the government for the 2020-21, 2021-22, and 2022-23 fiscal years were audited in line with ISA¹² within 9 months, 6 months, and 4 months respectively. During the period, the processes to approve budgets for OAG, as well as the appointment of the SAI¹³ head impairs the independence of the SAI. The overall score is D+.

For PI 31, Legislative scrutiny of audit reports, the score has not changed compared to the previous assessment. This is mainly due to the timing of Parliamentary scrutiny once the audit reports are tabled, which takes more than twelve months. The processes of hearings on audit findings, recommendations to the legislature and transparency of scrutiny are consistent with the previous assessment with a high score of A. The overall score is B+.

Figure 3.7. PILLAR SEVEN: External Scrutiny and Audit



Recent and ongoing reform activity

The OAG is currently undergoing the process of amending its Audit Act 1969. The review of the Audit Act of 1969 began in 2018 but was not finalised and is one of the PFM Reform Policy Actions that was recommended under the previous PEFA Assessment. The changes were also needed in line with ISSAIs¹⁴ after an independent assessment of the OAG performance was carried out by PASAI. In 2023, the MoF, with the Office of the Auditor General, undertook a comprehensive review of the Act and conducted wide consultations with stakeholders.

A significant amendment is the clause for protection of liability for the Auditor General, his or her staff and every contractor in the performance of their functions. The proposed changes also included the mandate to conduct compliance, IT, and environmental audits. Provisions are included to review audits

¹² ISA – International Standards on Auditing

¹³ SAI – Supreme Audit Institution

¹⁴ ISSAIs – International Standards of Supreme Audit Institutions

of entities not currently subject to the oversight of the OAG. The powers of the Auditor-General will also be expanded to allow access to electronic data during audit engagements. The Audit Bill incorporates all the necessary requirements according to the ISSAIs except 'financial independence'. It was decided that the OAG cannot be made financially independent in a short period of time, as these proposed changes will require amendments to Government policies and the Fijian Constitution. The latter will require support from at least 75% of Parliament members and approval by three-quarters of registered voters in a referendum.

PI-30. External audit

This indicator examines the characteristics of external audit. Coverage is CG for the last three completed fiscal years for PI-30.1, 30.2, 30.3 and at time of assessment for PI-30.4.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-30. External audit (M1)		D+
30.1. Audit coverage and standards	Financial reports including revenue, expenditure, assets, and liabilities of all central government entities have been audited using ISAs during the last three completed fiscal years. The audits have highlighted any relevant material issues and systemic and control risks. Central government audits do not include EBUs although they are all audited separately by the OAG. The individual financial statements of all ministries and departments and the combined whole of government financial statements are audited by the SAI according to ISA ¹⁵ s. The audits for the whole of government accounts for FY2020-21, FY2021-22 and FY2022-23 have been completed, and audit reports have been issued.	A
30.2. Submission of audit reports to the legislature	The audit report for FY 2020-21 was submitted to the legislature within 9 months of receipt of the accounts, FY2021-22 was submitted to the legislature within six months of receiving the accounts. The audit for FY2022-23 was completed within four months after receiving the accounts and will be submitted at the next sitting of Parliament. the performance is scored at C.	C
30.3. External audit follow up	The follow-up on audit recommendations is included in the Auditor General's Report to Parliament for the Whole of Government for FY 2020-21 and FY2021-22. Issues identified as "Recurring" relate to prior year issues that were followed up during the audit. The audit of FY2022-23 was just completed, and it includes a section in the audit report on the follow-up of audit recommendations; hence, the performance is scored at B.	B
30.4. Supreme Audit Institution (SAI) independence	The involvement of the Constitutional Offices Commission and Minister of Finance in the process of the appointment of the SAI head impairs the independence of the Auditor General. The SAI has a broad mandate and powers to perform its functions and duties. The process for budget approval is largely influenced by the executive government, hence the performance is scored at D.	D

Evidence for score

Table 30.1 and 30.2: Audit coverage, standards and submission to legislature (Last three completed fiscal years)

Fiscal Year audited	Date submitted to external audit	Date submitted to legislature	Standards applied ISSAI/ National (consistent)/ National (other)	Issues highlighted M = Material/ Systemic/ Control OR S = Significant
2020-2021	28/11/2022	31/08/2023	ISA	S
2021-2022	17/11/2023	20/05/2024	ISA	S

¹⁵ IFAC/IAASB International Standards on Auditing

2022-2023	12/09/2024 ¹⁶	Audit completed, yet to be submitted to Parliament	ISA	S
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Data source: Cover letters from Ministry of Finance and Office of the Auditor General, PASAI Independent QA Report 2023

Scope and coverage of audit and adherence to auditing standards.

The individual financial statements of all ministries and departments and the combined whole of government financial statements are audited by the OAG in line with ISA as disclosed in the audit reports. The OAG carries out these audits annually with the financial statements comprised of expenditure and revenue, assets and liabilities. Other entities within the scope of the OAG mandate, which they also audit annually, are government commercial companies, statutory authorities, commercial statutory authorities, municipal councils, and state-owned entities. Extrabudgetary agencies such as FRA and independent bodies are also audited. The OAG has also completed and published reports on performance audits and compliance audits. There were audits done by the OAG for the years assessed for FY 2020-21, FY 2021-22, FY 2022-23. The three-year period for the evaluation was taken from 2020-21 to 2022-23, as the cut-off point (end October) was only 3 months after the financial year end. The assessment would have been able to preclude an A score, but we would not be able to evidence a B, a C or a D score for the 2023-24 financial statements.

The OAG has an internal quality assurance function with its members independent of the annual audits. PASAI conducted an independent quality assurance review of a central government audit, and a report issued in 2023 concluded that the OAG audit methodology and documentation were highly compliant with ISSAIs.

Timeliness of submission of the audit reports

The audit reports for the whole of government financial statements for FY2020-21 was submitted to Parliament within 9 months of receipt, while FY2021-22, and FY2022-23 audit reports were submitted to the legislature within six months of receipt of the accounts.

There is also a built-in delay to the submission of audit reports for Parliament scrutiny as the tabling of reports depends on the scheduling of the Parliament session. In addition, the OAG reporting procedure involves waiting for audit reports of all entities in a certain sector, for example, the Economic Services Sector, to be completed before the report on the sector is submitted to Parliament. The audit reports are signed and tabled by the Minister of Economy rather than directly by the Auditor General.

Table 30.3: External audit follow up (Last three completed fiscal years)

Features of external audit follow up			
Formal response was made (Y/N)	Formal and comprehensive (Y/N)	Timely (Y/N)	Effective and timely follow up (Y/N)
Y	Y	Y	Y

Data source: 2022 Financial Statements of Government & 2022 Agency Financial Statements - Ministry of Finance- Parliamentary Paper No.52 of 2024; Audit report on Follow up of High-risk Ministries/Departments - Parliamentary Paper No.41 of 2024; 2023 audit has been completed and will be submitted and tabled at the next Parliamentary sitting; 2024 financial statements have not been submitted for audit.

In 2022, 61%, or 17 of the 35 Ministries and Departments, submitted timely management responses to the OAG. The OAG received these within 14 days of the Management Letter being sent to the auditees.

The OAG states that implementing audit recommendations can be improved if outstanding audit issues are included in the agenda of all agency monthly meetings. This can be achieved by forming Audit

¹⁶ This is the date when the draft financial statements submitted was accepted by the OAG for audit. The previous submission was returned by the OAG for accounting adjustments and changes in comparatives to be made by the Ministry of Finance.

Committees with Permanent Secretaries. The role of the Audit Committee could also be expanded to include findings or internal audits and matters relating to risk management.

The FY 2022-23 audit has been completed which includes follow up work for the FY 2021-22 audit.

Table 30.4: SAI Independence – requirements (At time of assessment)

Independence criteria	Criteria met (Y/N)	Comments
Appointment and removal of head of SAI	N	The appointment and removal of the Auditor General of Fiji are provided in the Constitution but largely influenced by the executive government through the Constitutional Offices Commission and the Minister of Finance
Planning audit engagements	Y	In Section 152(4) of the Constitution, the Auditor General in the performing of his/her function or in the exercise of his/her authority is independent and shall not be subject to the direction or control of any person or authority, except by a court of law or as otherwise prescribed by written law. This is evidenced by the OAG Business Plan where the Auditor General decides the audits to be done annually (performance audits, compliance audits and financial audits) with the available resources.
Arrangements for publicizing reports	Y	Sections 152(13) and (14) of the Constitution give the Auditor General the power to submit all audit reports to Parliament and for the same to be tabled within 30 days of receipt, or on the first day after this period.
Approval of budget	N	The SAI does not operate fully independent from the executive in terms of the approval of its budget and – that is it needs the Minister of Finance's approval.
Execution of budget	N	The Auditor General has the power to decide the spending of the OAG budget however the Ministry of Finance has the authority to reduce the budget in the year.
Legal basis for independence	Y	In Section 152(4) of the Constitution, the Auditor General in the performing of his/her function or in the exercise of his/her authority is independent and shall not be subject to the direction or control of any person or authority, except by a court of law or as otherwise prescribed by written law.
Unrestricted/timely access to records (Majority / most / all entities)	All entities	In the performance of his or her duties, the Auditor-General and his or her staff/contractors have access to all records, books, vouchers, stores.

Data source: Constitution of the Republic of Fiji 2013

This dimension assesses the independence of the SAI from the executive. Independence is essential for an effective and credible system of financial accountability and should be laid down in the constitution or comparable legal framework. In practice, independence is demonstrated by the arrangements for the appointment (and removal) of the Head of the SAI and members of collegial Institutions, noninterference in the planning and implementation of the SAI's audit work, and in the approval and disbursement procedures for the SAI's budget. The SAI's mandate should cover every central government activity and enable the SAI to carry out a full range of audit activities, specifically financial, compliance and performance audits. The SAI should have unrestricted access to documents, records and information.

The appointment and removal of the Auditor General of Fiji are provided in the Constitution but largely influenced by the executive government through the Constitutional Offices Commission and the Minister of Finance. The office of the Auditor General has sufficient mandate and powers to plan audits, conduct audits, and report to Parliament. The SAI has unrestricted access to documents, records, and information. As reported in the PEFA assessment in 2020, it remains where the SAI does not operate fully independent from the executive in terms of the approval of its budget even though it can spend

its budget without interference. The process of appointment and removal of the SAI head is influenced by the executive government, as well as the process for the approval of the budget.

PI-31. Legislative scrutiny of audit reports

This indicator focuses on legislative scrutiny of the audited financial reports of central government, including institutional units, to the extent that either (a) they are required by law to submit audit reports to the legislature or (b) their parent or controlling unit must answer questions and take action on their behalf. Coverage is CG for the last three completed fiscal years.

Indicator and dimension scores and analysis

INDICATORS/ DIMENSIONS	ASSESSMENT OF PERFORMANCE	SCORE
PI-31. Legislative scrutiny of audit reports (M2)		B+
31.1. Timing of audit report scrutiny	In FY 2021-22, most of the audit reports were scrutinized over 12 months after receipt, mainly due to the impact of COVID-19 restrictions and lockdowns in 2020 and 2021. In FY 2022-23 and FY 2023-24, there was also a delay of 12 months before audit reports are scrutinized and reviewed, the performance is assessed as D.	D
31.2. Hearings on audit findings	In-depth hearings on key findings of audit reports take place regularly with responsible officers from all audited entities which received a qualified or adverse audit opinion or a disclaimer, hence the performance is assessed as A. <i>While there is no specific document titled as an Action Plan, the entities provide the PAC with written responses to queries on how they plan to address significant audit issues.</i>	A
31.3. Recommendations on audit by the legislature	The public accounts committee makes recommendations on actions to be implemented by the executive and systematically follows up on their implementation during hearings. Hence, the performance is assessed as A.	A
31.4. Transparency of legislative scrutiny of audit reports	All hearings are conducted in public. Committee reports are published on the Parliament website. Hence, the performance is assessed as A.	A

Evidence for score

In the FY 2021-22, most of the audit reports were scrutinized over 12 months after receipt, mainly due to the impact of COVID-19 restrictions and lockdowns in 2020 and 2021. In FY 2022-23, the public accounts committee focused on clearing special investigation reports and reports of public enterprises, other entities, and municipal councils. In FY 2023-24, the current public accounts committee started late in the calendar year 2023 following the 2022 elections. The Committee is currently still scrutinizing the reports received in the calendar year 2023 and is looking to table them in 2025. Scrutiny of audit reports on annual financial reports has mostly been completed by the legislature over twelve months from receipt of the reports due to the reasons mentioned above.

Table 31.1 shows the dates of receiving audited reports and finalizing the public accounts committee scrutiny.

Table 31.1: Timing of legislative scrutiny of audit reports (Last three completed fiscal years)

Audited annual financial statements for fiscal year	Date of receipt of audited financial reports	Date of finalization of legislative scrutiny
<u>2021 Financial Statements of Government & 2021 Agency Financial Statements - Ministry of Finance</u>	31 August 2023	13 February 2025
<u>2022 Financial Statements of Government & 2022 Agency Financial Statements - Ministry of Finance</u>	20 May 2024	13 February 2025
<u>2023 Financial Statements of Government & 2023 Agency Financial Statements - Ministry of Finance</u>	Audit completed, yet to be submitted to Parliament	Not yet done

Data source: <https://www.facebook.com/fjiparliament>
Hearings on key findings

In-depth hearings are held on key findings of audit reports. They took place regularly in FY 2021-22 where 10 hearings were held, with five hearings held in FY 2022-23 and five hearings also held in FY 2023-24 as evidenced in Table 31.1. This data was available in the reports on hearings published by the public accounts committee secretariat on the Parliament website. Hearings were held with responsible officers from all audited entities that received a qualified or adverse audit opinion or a disclaimer. The hearings for the central government audits for 2019-20, 2020-21, and 2021-22 were conducted on 13 February 2025. All the requirements are met in the PAC hearings, however for the Action Plan, there is no specific document titled as such. Instead, the entities provide the PAC with written responses to queries on how they plan to address significant audit issues.

Recommendations by Legislature and follow-up

The public accounts committee issues recommendations on actions to be implemented by the audited entities (executive management team) and follows up on their implementation.

Table 31.2 and 31.3: Hearings on audit findings and issuance of recommendations (Last three completed fiscal years)

Audited annual financial statements for fiscal year	Hearings on audits reports that received a qualified or adverse opinion or disclaimer (Y/N)	Hearings conducted – entities with qualified audit A = All M = Most F = Few N=None	Legislature issues recommendations (Y/N)	Recommendations followed-up S= Follow-up systematically F= Follow-up N= No follow-up
Review of the Audit Reports on Public Enterprises and Other Entities for the audit year ending from 2019-2020 and 2021-2022	Y	A	Y	S
Report of the Public Accounts Committee on the Audits of Municipal Councils for the year ended 2021-2022	Y	A	Y	S
Review of the 2018-2019 and 2019-2020 Audit Reports on Municipal Councils	Y	A	Y	S
Review of the 2016-2017 Financial Statements of Government & the 2016-2017 Agency Financial Statements of Ministry of Economy	Y	A	Y	S
Review of the 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities and the 2018-2019 Audit Report on Statutory Authorities (Consolidated Report)	Y	A	Y	S
Review of the 2017-2018 Whole of Government Audit Reports (Consolidated Report)	Y	A	Y	S
Review of the 2017-2018 Audit Report on Statutory Authorities	Y	A	Y	S
Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities	Y	A	Y	S

Data source: <https://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/>

Public Accounts Reports as follows: Review of the Audit Reports on Public Enterprises and Other Entities for the audit year ending from 2019-2020 and 2021-2022, Report of the Public Accounts Committee on the Audits of Municipal Councils for the year ended 2021-2022, Review of the 2018-2019 and 2019-2020 Audit Reports on Municipal Councils, Review of the 2016-2017 Financial Statements of Government & the 2016-2017 Agency Financial Statements of Ministry of Economy, Review of the 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities and the 2018-2019 Audit Report on Statutory Authorities (Consolidated Report), Review of the 2017-2018 Whole of Government Audit Reports (Consolidated Report), Review of the 2017-2018 Audit Report on Statutory Authorities, Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities.

Transparency of Legislative scrutiny

Public Accounts Committee hearings are open to public scrutiny. The proceedings are transmitted live on the Parliament of Fiji's social media page, allowing citizens to follow committee hearings in real time.

Table 31.4: Transparency of legislative scrutiny of audit reports (Last three completed fiscal years)

Audited annual financial statements for fiscal year	Committee reports			Public hearings conducted A= All except limited circumstances F= Yes, with a few exceptions
	Published (Y/N – Method)	Provided to the full chamber of legislature (Y/N)	Debated in the full chamber of legislature (Y/N)	
Review of the Housing Authority Special Investigation on the Allotment of Lots and Tender Processes	Y	Y	Y	A
Review of the Special Investigation Report on Procurement of Goods & Services – 52nd Asian Development Bank Annual Meeting	Y	Y	Y	A
Review of the Audit Reports on Public Enterprises and Other Entities for the audit year ending from 2019-2020 and 2021-2022	Y	Y	Y	A
Report of the Public Accounts Committee on the Audits of Municipal Councils for the year ended 2021-2022	Y	Y	Y	A
Review of the Office of the Auditor-General's 2021 Annual Report				A
Review of the Auditor-General's Report on COVID-19 Compliance Audits – 1) Management of Unemployment Benefits; and 2) Management of Concessional Loan Package to Micro, Small and Medium Enterprises (MSME)	Y	Y	Y	A
Review of the Auditor-General's Report on Compliance Audits Relating to COVID-19 Response- 1) Implementation of COVID-19 Preparedness and Response Plan; 2) Procurement of Bio-Medical Equipment and Quarantine Accommodation and Stock Management for COVID-19; 3) Management of COVID-19 Aid; 4) Micro, Small and Medium Enterprises Credit Guarantee Scheme; and 5) Management of Agricultural Assistance – Farm Response Package, Home Gardening Seed Packages and Improvement of Farm Genetic Appendices	Y	Y	Y	A
Review of the Performance Audit on the Licensing and Monitoring of River Gravel and Sand Extractions	Y	Y	Y	A
Review of the 2018-2019 and 2019-2020 Audit Reports on Municipal Councils	Y	Y	Y	A
Review of the Compliance Audit Report: 1) Quarry development projects and appointment of certified foreman-in charge 2) Government Payroll System (IT Audit) 3) Information Systems (IS) audit on the financial management information system (FMIS)-Min of Education 4) Fiji Education Management Information System (FEMIS)	Y	Y	Y	A
Review of the Audit Report on Follow-up of High Risks Ministries/Departments	Y	Y	Y	A

Review of the 2016-2017 Financial Statements of Government & the 2016-2017 Agency Financial Statements of Ministry of Economy	Y	Y	Y	A
Review of the 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities and the 2018-2019 Audit Report on Statutory Authorities (Consolidated Report)	Y	Y	Y	A
Review of the Office of the Auditor-General's 2020 Annual Report and Assessing the Office of the Auditor-General's – Supreme Audit Institution (SAI) Performance Management Framework (Consolidated Report)' PP No. 6 of 2022	Y	Y	Y	A
Review of the 2017-2018 Whole of Government Audit Reports (Consolidated Report)	Y	Y	Y	A
Review of the Performance Audit on the Management of Environment Impact Assessment	Y	Y	Y	A
Review of the 2017-2018 Audit Report on Statutory Authorities	Y	Y	Y	A
Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities	Y	Y	Y	A
Review of the Performance Audit on the Access for Persons with Disabilities to Public Offices and Public Transport	Y	Y	Y	A

Data source: <https://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/>

Annex 1: Assessment management and quality assurance arrangements

Oversight Team		
Name	Position/Organization	Role
Shiri Gounder	Permanent Secretary for Finance	Oversight
Atin Chand	Head of Treasury, Ministry of Finance	Oversight
Kelera Ravono	A/Head of Budget, Ministry of Finance	Oversight
Munesh Deo	Head of Fiscal, Ministry of Finance	Oversight
Saimoni Veramu	Head of Procurement, Ministry of Finance	Oversight
Ana Waqanisau	Head of Internal Audit	Oversight
Poonam Singh	Acting Head of Strategic Planning Office	Oversight
Mere Cakaunitabua	Manager Economic Sector, MOF	Facilitator
Kiman Mala	Manager General Administration	Facilitator
Asenaca Mae	Manager Financial Policy & Assurance Unit	Facilitator
Vinay Krishna	Manager Financial Operations	Facilitator
Sisilia Nalaide	Manager Debt Management Unit	Facilitator
Tevita Tuibau	Principal Budget Analyst	Facilitator
Losana Naisio	Treasury Assistant	Logistics
Assessment Team		
Name	Position/Organization	Role
Paul Seeds	PFTAC	Team leader:
Iulai Lavea	PFTAC	Expert 1:
Chita Marzan	STX	Expert 2:
Martin Bowen	STX	Expert 3:
Meresimani Vosawale-Katuba	PASAI	Expert 4:
Quality Assurance		
Reviewers:		
Government of Fiji		
PEFA Secretariat		
Matthew Fehre, Australian Department of Foreign Affairs and Trade (DFAT)		
Taichi Sakano, Japan International Cooperation Agency (JICA).		
Concept Note		
Date submitted for review:	18 October 2024	
Date of final CN:	5 November 2024	
PEFA Report		
Date submitted for review:	9 February 2025	
Date submitted for follow-up:	16 April 2025	
Date of final draft:	2 May 2025	
Proposed date of publication:	June 2025	

Annex 2: Public sector agencies covered by the assessment

Table 2: Structure of the public sector (list)		
Budgetary units (All)	Extrabudgetary units (or those covered by sampling)	Public corporations (those covered by sampling highlighted)
Office of the President	Office of the Auditor-General	Airports Fiji Limited
Office of the Prime Minister	Fijian Elections Office	Fijian Broadcasting Corporation Limited
Office of the Attorney-General	Judiciary	Fiji Hardwood Corporation Pte. Ltd
Ministry of Finance, Strategic Planning, National Development and Statistics	Parliament	Fiji Meat Industry Board
Ministry of iTaukei Affairs, Heritage and Arts	Office of the Director Public Prosecutions	Fiji Public Trustee Corporation Pte. Ltd
Ministry of Home Affairs and Immigration	Media Industry Development Authority	Fiji Rice Limited
Ministry of Employment, Productivity, and Workplace Relations	Human Rights and Anti-Discrimination Commission	Food Processor (Fiji) Pte. Ltd
Ministry of Foreign Affairs	Accountability and Transparency Commission	Post Fiji Limited
Ministry of Environment and Climate Change	Constitutional Offices Commission	Unit Trust of Fiji (Management) Limited
Fiji Corrections Services	Fiji Independent Commission Against Corruption (FICAC)	Yaqara Pastoral Company Pte. Ltd
Ministry of Justice	Public Service Commission	Biosecurity Authority of Fiji
Ministry of Civil Service and Public Enterprises	Accident Compensation Commission of Fiji	Pacific Fishing Company Pte. Limited
Ministry of Rural and Maritime Development and Disaster Management	Legal Aid Commission	Fiji Coconut Millers Pte. Ltd
Republic of the Military Forces	Online Safety Commission	Fiji Sugar Company
Fiji Police Force	Electoral Commission	Fiji Airways
Ministry of Health and Medical Service	Fiji Revenue & Customs Service	Fiji Development Bank
Ministry of Housing	Fiji Road Authority	Reserve Bank Fiji
Ministry of Local Government	Fiji Water Authority	
Ministry of Women, Children and Social Protection	Civil Aviation Authority	Energy Fiji limited
Ministry of Youth and Sports	Land Transportation Authority	Assets Fiji Limited
Ministry of Agriculture and Waterways		Viti Corps Company Limited
Ministry of Fisheries		Walesi Limited
Ministry of Forestry		Fiji National Provident Fund ¹⁷

¹⁷ Public Financial Corporation

Annex 3: Evidence for scoring indicators

Indicators (PEFA 2016 framework)	Evidence
1. Aggregate expenditure out-turn	<u>Audited annual financial statements 2021-22;</u> <u>Unaudited annual financial statements 2022-23, and draft annual financial statements for 2023-24 provided by MoF</u>
2. Expenditure composition out-turn	<u>Audited annual financial statements 2021-22;</u> <u>Unaudited annual financial statements 2022-23, and draft annual financial statements for 2023-24 provided by MoF</u>
3. Revenue out-turn	<u>Audited annual financial statements 2021-22;</u> <u>Unaudited annual financial statements 2022-23, and draft annual financial statements for 2023-24 provided by MoF</u>
4. Budget classification	<u>Chart of Accounts: Account Number Structure for Fiji Government (2005);</u> <u>Annual Financial Statements (2021-22; 2022-23 unaudited, 2023-24 draft);</u> <u>Budget Estimates 2024-25;</u> <u>Meetings with Treasury staff.</u>
5. Budget documentation	<u>Economic and Fiscal Update Supplement to the 2024-25 Budget;</u> <u>Budget Estimates 2024-25;</u>
6. Central government operations outside financial reports	<u>2023-24 budget estimates document, and whole of government financial statements; Copy of the latest financial statements of the statutory authorities; Information provided by the Treasury; data used for PI-1 and 3.</u> <u>Trust- Funds- Information provided by the Treasury</u>
7. Transfers to sub-national governments	<u>2023-24 budget estimates; Actual transfers data were provided by the Treasury Division based on FMIS data sets.</u> <u>2023-24 Budget Circular; Budget announcement; Grant agreement; Treasury fund transfers</u>
8. Performance information for service delivery	<u>Budget Estimates 2024-25;</u> <u>Ministry of Women, Children and Social Protection: 2024-25 Costed Operational Plan.</u> <u>Ministry costed operation plans of previous years;</u> <u>Ministry Annual reports 2022-23 and earlier</u> <u>Ministry of Health Budget Update Report as of 31 July, 2024</u>
9. Public access to fiscal information	<u>Ministry of Finance Website; Office of the Auditor General; Parliament of Fiji website</u>
10. Fiscal risk reporting	<u>Fiji Development Bank Annual Report 2023; Fiji Sugar Corporation Annual Report 2024; Fiji Airways Annual Report 2023; Energy Fiji Limited Annual Report 2023; FNFP Annual Report 2023 Correspondence evidencing submission of annual financial statement</u> <u>Audit Report on Municipal Councils, November 2024</u> <u>Economic and Fiscal Update Supplement to the 2024-25 Budget, MoF</u> <u>Contingent Liability register (internal document).</u> <u>Fiji National Asset Management Framework; Accounting Policies on Non-Financial Assets; Policies on Financial Assets and Fund Accounting.</u>
11. Public investment management	<u>2023-24 Budget Document.</u> <u>FMIS data on capital expenditures provided by the Treasury.</u> <u>2023 Budget Circular.</u> <u>Budget submission template and sample budget proposals submitted by agencies.</u> <u>Statements from the Budget Division and selected ministries during the consultations on project monitoring in general.</u> <u>Sample copy of the Quarterly Program and Project Performance Reports</u>
12. Public asset management	<u>Financial Management Act 2004 (Section 46).</u>

	<u>Annual financial statements 2022-23;</u> <u>Budget Estimates 2024-25.</u> <u>Economic and Fiscal Update Supplement to the 2024-25 Budget;</u> <u>Statement of Investments as at 31 July, 2024 (internal document)</u> <u>Financial Instructions 2010.</u> <u>Sample fixed asset registers (Ministry of Trade, Ministry of Education,</u> <u>Ministry of Foreign Affairs, Ministry of Lands and Minerals, and Ministry</u> <u>of Local Government);</u> <u>Meetings with the Asset Management Division</u> <u>Guide to disposal of government plant, equipment and inventories - Fiji</u> <u>Procurement Office.</u>
13. Debt management	<u>Meeting with the Debt Management Unit, MoF;</u> <u>Copies of debt register, quarterly statistical report and sample</u> <u>reconciliations provided by Debt Management Unit</u> <u>Financial Management Act 2004(2021 Amendment);</u> <u>Budget Estimates 2024-25.;</u> <u>Annual Borrowing Plan 2024-25;</u> <u>Annual Financial Statements.</u> <u>Debt Accounting Manual.</u> <u>Government Guarantee Policy document;</u> <u>Financial Management Act 2004(2021 Amendment);</u> <u>Budget Estimates 2024-25;</u> <u>Annual Borrowing Plan 2024-25;</u>
14. Macroeconomic and fiscal forecasting	Economic & Fiscal Update Supplement to the Budget Address FY2021-22, FY2022-23, FY2023-24
15. Fiscal strategy	Economic & Fiscal Update Supplement to the Budget Address FY2021-22, FY2022-23, FY2023-24; Quarterly and Mid-Year Fiscal Performance Reports.
16. Medium term perspective in expenditure budgeting	FY 2024-25 Final Budget; FY2024-25 Ministry of Finance Circular; Cabinet Decision: CP (24)13; FY 2024-25 Final Budget; Ministry Strategic and Operational Plans.
17. Budget preparation process	FY2024-25 Ministry of Finance Budget Circular; Budget Submission to Parliament: FY2021-22, FY2022-23, & FY2023-24;
18. Legislative scrutiny of budgets	FY2023-24 Budget; Parliamentary Standing Orders; FY2023-24 Budget; Appropriation Acts FY2021-22, FY2022-23 and FY2023-24; Financial Management Act 2004, Financial Instructions 2010.
19. Revenue administration	<p>WoG FS 2023-24 Draft Annual Financial Statements 2023-24 (BCG revenues as per PI-3, excluding Grants). EBU Annual Financial Statements per PI-6.2 Revenues outside Financial Reports of Government. Investing revenue comprises primarily dividend receipts. Largest fees and charges include LTA Charges, WAF charges, and passport charges. Largest items under "Other" are rentals of land and quarters.</p> <p>https://frcs.org.fj/ https://tpos.frscs.org.fj/taxpayerportal/#/Logon https://awportal.frscs.org.fj/index.jsf Laws listed in box below from https://www.laws.gov.fj/Home/laws Videos and Brochures giving guidance on https://frcs.org.fj/video-gallery/ and https://frcs.org.fj/brochures/ https://frcs.org.fj/about-us/voluntary-tax-compliance/ Compliance Improvement Strategy 2023-25.</p> <p>2023-24 Financial Year – Compliance Division Consolidated Statistics. FRCS AOR QTR4 2023-24.pdf. Quarterly report on Government Asset Composition. Revenue arrears with ageing and confirmation in email of 25/11/2024. EBU data is taken from 2022-23 annual financial statements as 2023-24 statements not yet published (but these arrears can be seen to be immaterial for the assessment). Other BCG revenue</p>

	<i>arrears from FMIS report for end of year miscellaneous Accounts Receivable.</i>
20. Accounting for revenue	<i>FRCS Bank Lodgement Report 14/11/2024 receipted ANZ 15/11/2024 (Cash Desks 1, 2 and 4). FRCS System Cash Journal. Cash Receipts/deposits. Westpac Bank Settlement and Merchant Receipt. Bank Credit Verification with Revenue Report for July 2024 (Excel format). August, September, October 2024 Revenue Report_FRCS FRCS Revenue Reports (August, September, October 2024).</i>
21. Predictability of in-year resource allocation	<i>Cash Movement August 2024. FMIS Trial Balance 1st August 2024. Excel Spreadsheets: Annual Cash Flow Forecast August 2023 to July 2024. Monthly Cash Flow Forecast Updates for each month FY2023/24: "August" through to "July". 2023-24 Budget Loading Data (Excel sheets of commitment ceilings loaded into the FMIS). Details of Reportable Authorizations 2023/24. FMA 2004.</i>
22. Expenditure arrears	<i>WoG Annual Financial Statements 2021-22; 2022-23; and 2023-24. Treasury FMIS balance July 2024. Annual Financial Statements 2021-22; 2022-23; and 2023-24. Treasury Circular 60/36 (28 March 2024). FMIS Reports: Outstanding AP balance before close; AP Balance after Close; LPO outstanding pre-close; Outstanding after accounts close.</i>
23. Payroll controls	<i>Based on BCG central payroll system, i.e., 92% of CG payroll. Payroll Manuals April 2024 (went live August 2024): 12.1 Payroll Employee Profile Setup; 12.2 Payroll Processing. Approval Matrix V2.1.1 (Excel); Audit trail report and User Transactions Report 18/11/2014. Copy of Excel Quarterly Reconciliation (Excel).</i>
24. Procurement management	<i>Dataset 2021-24 for Procurement Report FY2023-24. FPO: Dataset for Procurement Report 2023/24. No data available for EBU's FRA Act: https://www.laws.gov.fj/Acts/DisplayAct/855# (§16 stipulates FRA is not covered by Procurement Regulations but shall establish its own procurement process and plan). ITC Act https://www.laws.gov.fj/Acts/DisplayAct/1186 Part 4 (§14-16 refers to procurement). LTA Act: https://www.laws.gov.fj/Acts/DisplayAct/2627 (No specific Reference to procurement). WAF Act: https://www.laws.gov.fj/Acts/DisplayAct/2936 (no reference to procurement). FRCS Act https://www.frsc.org.fj/wp-content/uploads/2019/10/Fiji-Revenue-and-Customs-Act-1998.pdf FPO Feedback Complaints Register.xlsx.</i>
25. Internal controls on non-salary expenditure	<i>Financial Management Act; Finance Instructions; Other regulations; FMIS Manual; Information and documents provided by the statutory authorities; Audit reports. Audit report on the whole of government financial statements and statutory authorities; Information provided by the Treasury, statutory authorities, and Office of the Auditor General.</i>
26. Internal audit	<i>Financial Management Act; IA Charter; 2023-24 Budget Estimates: Reports of Statutory Authorities; Information provided by the central IA unit at MOF and sampled statutory authorities. IA Manual; Audit Plan; Audit Reports; Engagement Plan; Annual Report; Follow up Report; Client Feedback Form; Checklist of Internal Audit Processes. Expenditure value and list of audit activities and status as of 2023-24 as provided by the IAGGD, MoF. Follow-up Analysis from the IAGGD, MoF.</i>
27. Financial data integrity	<i>Status of 2023-24 Bank Reconciliation of all BCG bank accounts as of July 2024 Treasury Division.</i>

	<p><i>For advances- 2023-24 monthly Balances as provided by the Treasury;</i></p> <p><i>For suspense account- Information provided by the Treasury.</i></p> <p><i>New FMIS Manual; Information provided by the Treasury and line ministries.</i></p>
28. In-year budget reports	<p><i>Monthly Interim Financial statements for whole of government, MOF</i></p> <p><i>Information on dates of submission of the monthly reports as provided by the Treasury Division</i></p> <p><i>Quarterly Appropriation Statement</i></p>
29. Annual financial reports	<p><i>2022-23 whole of government financial statements submitted to audit.</i></p> <p><i>Copy of the reports for 2020-21 to 2022-23 and information from the Treasury as confirmed by the OAG.</i></p> <p><i>Financial Management Act of 2004; Finance Instructions 2010;</i></p>
30. External audit	<p><i>2022 Financial Statements of Government & 2022 Agency Financial Statements - Ministry of Finance- Parliamentary Paper No.52 of 2024</i></p> <p><i>Audit report on Follow up of High-risk Ministries/Departments - Parliamentary Paper No.41 of 2024</i></p> <p><i>2023 audit has been completed and will be submitted and tabled at the next Parliamentary sitting.</i></p> <p><i>2024 financial statements have not been submitted for audit.</i></p> <p><i>Constitution of the Republic of Fiji 2013.</i></p>
31. Legislative scrutiny of audit reports	<p>https://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/</p> <p><i>Public Accounts Reports as follows: Review of the Audit Reports on Public Enterprises and Other Entities for the audit year ending from 2019-2020 and 2021-2022, Report of the Public Accounts Committee on the Audits of Municipal Councils for the year ended 2021-2022, Review of the 2018-2019 and 2019-2020 Audit Reports on Municipal Councils, Review of the 2016-2017 Financial Statements of Government & the 2016-2017 Agency Financial Statements of Ministry of Economy, Review of the 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities and the 2018-2019 Audit Report on Statutory Authorities (Consolidated Report), Review of the 2017-2018 Whole of Government Audit Reports (Consolidated Report), Review of the 2017-2018 Audit Report on Statutory Authorities, Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities</i></p>

Annex 4: Sources of data – persons interviewed

Name	Position
Ministry of Finance	
Atin Chand	Actg. Permanent Secretary for Finance
Saimoni Veramu	Head of Procurement
Munesh Deo	Head of Fiscal Policy
Kelera Kolivuso	Actg. Head of Budget
Ana Waqanisau	A/Head (Internal Audit & Good Governance)
Anish Bahadur	Manager (Procurement)
Luse Mulo	Manager (Internal Audit R&D)
Sundhia Ben	Manager Economic Policy, Fiscal Policy
Ashika Chand	Manager (Asset Management Unit)
Asenaca Mae	Manager (Financial Policy & Assurance Unit)
Sisilia Nalaide	Manager (Debt Management Unit)
Mere Cakaunitabua	Manager (Economic Sector)
Letila Tuiyalani	Manager (International Cooperation)
Kiman Mala	Manager (General Administration)
Amit Kishore	Manager (FMIS)
Sanjay Chand	Manager Pensions
Vinay K	Manager (FO)
Alipate Kete	Actg. Manager PPME
David Filswilco	Assistant Manager (DMU)
Pita Wakanidilo	Assistant Manager (FO)
Mohammed Rahat	Assistant Manager (FMIS)
Ronita Singh	PAO – Payroll
Anurag Shandil	Principal Internal Auditor
Sulueti Matavucu	Principal Internal Auditor
Tulia Waqaya	Principal Internal Auditor
Miriama Ketedromo	PBA (GA)
Vinay Singh	Principal Economist
Asenaca Lewaravu	Principal Economist
Ansar Ali	Principal Economist
Melissa Kwan	PBA (Social Sector)
Tevita Tuibau	PBA (Int'l Cooperation)
Peceli Vitukawalu	PBS (ES)
Sandip Kumar	PBA
Freedra Fremlin	Principal Project Planning & Policy Analyst
Mohammed Faiyaz	System Analyst (FMIS)
Saif Ali	SAO – Project
Laisa Baleinukumoto	SAO – FMIS
Shayla Rani	SAO – FO

Ashneel Chand	Senior Accounts Officer - DMU
Anaseini Cawani	Senior Accounts Officer - DMU
Zarah Ithiel	Senior Accounts Officer - DMU
Roneel Ronish Prasad	Senior Accounts Officer - Financial Reporting
Priyena Singh	Senior Economist
Al-zaid Gul	Senior Economist
Jillian N	Senior Procurement Officer
Pranita Raj	SBA
Shylvia Kumar	Economist
Krishnika Prasad	Procurement Advisor
Stephanie Narayan	Procurement Advisor
Public Accounts Committee	
Hon. Esrom Immanuel	Assistant Minister for Finance
Hon. Sakiusa Tubuna	Assistant Minister at the Office of the Prime Minister
Hon. Alvick Maharaj	PAC Member (Opposition)
Hon. Penioni Ravunawa	PAC (Committee A/Member)
Savenaca Koro	SCC (Public Accounts)
Vasiti Uluinayau	DCC (Public Accounts)
Ministry of Health & Medical Services	
Dr. Luisa Cikamatana	Actg. Chief M. Adviosr/ A/PS
Suman L Kumar	Principal Accounts Officer
Epiuta Nabati	Senior Accounts Officer
Rajneel Krishan	National Health Accounts Coordinator
Ministry of Home Affairs & Immigration	
Sakaraia Rabuli	Manager HR
Neelam Kumari	Actg. Principal Accounts Officer
Ruveni Kila	SAO
Josephine Pickering	SAO
Isha Eshna	SAO
Laleena Devi	SAO
Ministry of Local Government	
Navin Chandra	PAO
Ministry of Trade, Cooperatives, Small & Medium Enterprises	
Phina Liao	PBAO
Bale Sivo	SAO
Navendra Prasad	SAO
Rohit Lal	SAO
Ministry of Justice	
Selina Kuruleca	Permanent Secretary
Collin Yabaki	Director
Sereana L	PAO

Ministry of Public Works, Transport and Meteorological Services	
Paula Baleilevuka	Permanent Secretary
Alipate Mataivilia	Manager Policy
Ruci Daulako	Director Corporate Services
Andrew Pene	DBGA
Kitione Rokosuka	DEW
Mere Delasau	PAO - N
Marica Colata	SHG - N
Veresi Yacalevu	AAO - W
Samuela Tamani	PAO
George Tavo	DSO
Rajnita D Ram	SAO
Ministry of Public Enterprises	
Laisa Bolalevu	Director - Monitoring
Salote Sukani	Principal Economic Planning Officer
Nicholas Peter	Senior Financial Analyst
Ministry of Tourism and Civil Aviation	
Salaseini Daunabuna	Permanent Secretary
Alumita Lagicere	Director Civil Aviation
Jacinta Lal	Director Tourism
Setareki Duguvana	MF
Loiuse Shackley	Manager HR
Ministry of Women, Children and Social Protection	
Venina Duvuduvukula	PAO
Ministry of Fisheries and Forestry	
Maciu Waqa	Manager Finance
Fiji Revenue and Customs Service	
Kelerayani Dawai	Director Compliance
Rahul Goundar	Manager (Policy)
Rohitesh Dass	Manager (RAFIT)
Muneshwari Rao	Manager (HR)
Visoni Penesio	Manager Debt
Anasa Matakece	Principal Policy Advisor
Laisa Bainimarama	PA ORT
Krishneel Krishna	Principal Technical Analyst
Christine Saxena	SPA (Senior Policy)
Faranisese Gavidu	Senior Accountant
Shimraz Hussain	Senior Accountant
Office of the Auditor General	
Finau Nagera	Auditor General
Sairusi Dukuno	Deputy AG
Moshin Ali	Assistant AG

Dineshwar Prasad	Assistant AG
Abele Saunivalu	Assistant AG
Sulueti Cakau	A/ Senior Manager
Information Technical & Computing Services	
Roselyn Karan	SAO
Water Authority of Fiji	
Jowana Kaloucava	Manager Finance
Fiji Roads Authority	
Ravneel Lal	Head of Risk & Compliance
Joel Mastapha	Finance Controller
Land and Transport Authority	
Asnita Dutt	Acting Manager Finance
Shanil Rao	Acting Chief Financial Officer
Fiji Independent Commission Against Corruption	
Barbara Malimali	Commissioner
Lorraine Fesaitu	Manager Admin
Umar Dean	Manager Finance
Kolora Naliva	Manager Corruption Prevention
Sera	Principal State Counsel
Amit Sami	Chief Executive Support Officer
Fiji Council of Social Services	
Vani Catanasiga	Director
Fiji Commerce and Employers Federation	
Edward Bernard	CEO

Annex 5: Observations on internal control

Internal control components and elements	Summary of observations
1. Control environment	
1.1 The personal and professional integrity and ethical values of management and staff, including a supportive attitude toward internal control constantly throughout the organisation	Generally, the staffing is very professional and reasonably well skilled. Treasury exercises good oversight and is committed to strong internal controls. The internal audit function has been strengthened in recent years, implementing International Internal Audit standards, and risk-based auditing practices.
1.2 Commitment to competence	HR practices are well managed, and officials undertake training through various programs to ensure competences and up to date with good practice.
1.3 The "tone at the top" (i.e. management's philosophy and operating style)	Permanent Secretary Finance very supportive of reforms, as evidenced by the successful implementation of many PFMIP reform activities.
1.4 Organisational structure	The organization structure is effective in covering all the required finance functions. The central MoF undertakes all the roles of planning, budgeting, and Treasury/Accounting. Having these functions under a single ministry facilitates good internal coordination.
1.5 Human resource policies and practices	HR policies and practices are conducive to effective working practices based on modern principles and practices.
2. Risk assessment	
2.1 Risk identification	The Budget Supplement includes a chapter on fiscal risks and identifies macroeconomic risks, environmental risks (including climate change and natural disasters), government debt risk. A separate chapter on Debt and Investment quantifies explicit and implicit contingent liabilities.
2.2 Risk assessment (significance and likelihood)	Economic Analysis of Investment Proposals in 11.1 is rated C. The Budget Supplement includes an assessment of fiscal risks. The government prepares a Medium Term Development Strategy and Annual Debt Report. The MTDS is updated annually. Debt Management Strategy in 13.3 is rated A. A debt management information system is in place that records, analyzes and reports public sector debt.
2.3 Risk evaluation	Risk evaluation is presented in the budget supplement. That report notes the government has applied the IMF's Fiscal Risk Assessment Tool (FRAT). Based on the outcome of the FRAT's Fiscal Risk Matrix, macroeconomic risks are considered possible in terms of realization with potentially high fiscal impacts. Environmental risks and government

	guaranteed debt are considered probable, with potentially medium term fiscal impacts.
2.4 Risk appetite assessment	The government appears to be mindful of fiscal risks in its reporting. It notes government debt as a percentage of GDP is on a downward trend (from 9.2% in 2021-22 to around 4.0% in 2023-24). Government total contingent liabilities stood at \$1.7bn or 12.7% of GDP at 30 April 2024.
2.5 Responses to risk (transfer, tolerance, treatment or termination)	See above.
3. Control activities	
3.1 Authorization and approval procedure	The FMIS (financials and payroll systems) provide robust segregation of duties and audit trails.
3.2 Segregation of duties (authorizing, processing, recording, reviewing)	Segregation of duties is rated B in Dimension 25.1
3.3 Controls over access to resources and records	Compliance with payment rules and procedures is rated A in Dimension 25.3. Financial data integrity processes are rated A in Dimension 27.4.
3.4 Verifications	Accuracy of in-year budget reports is rated B in Dimension 28.3. Effectiveness of controls over data used to verify payroll calculation in Dimension 23.3 is rated A due to strong controls within the payroll system.
3.5 Reconciliations	Revenue accounts are regularly reconciled through FRCS's SAP financial system and include aged tax debtors (arrears) leading to score A in Dimension 20.3. Bank account reconciliations in Dimension 27.1 are rated D*.
3.6 Reviews of operating performance	
3.7 Reviews of operations, processes, and activities	Compliance with prescribed procedures and processes is good, as evidenced by PI-23 and PI-25, and control of payments, avoiding incurrence of expenditure arrears.
3.8 Supervision (assigning, reviewing and approving, guidance and training)	
4. Information and communication	
	The volume of performance information assessed in Dimension 8.2 scored D. Operational costed plans are not published. Annual Reports are significantly out of date. Integrity of financial data scored A in Dimension 27.4.
5. Monitoring	
5.1 Ongoing monitoring	Information on resources received by service delivery units is rated B. Budget allocations and

	<p>actual resources received by hospitals is presented in the budget and internal financial reports. Resources allocated to regional health sub-divisions which are responsible for managing local clinics is presented in internal report.</p> <p>Monitoring of public corporations is rated C.</p> <p>Contingent liabilities and other fiscal risks are rated A.</p> <p>Investment project monitoring in Dimension 11.4 is rated C.</p>
5.2 Evaluations	<p>Performance evaluation for service delivery in dimension 8.4 is rated D. No ministries or agencies have commissioned or undertaken any program evaluation. Only three small performance audits have been conducted by the OAG in the last three fiscal years.</p> <p>Investment project monitoring in Dimension 11.4 is rated C.</p>
5.3 Management responses	<p>Response to IA recommendations in Dimension 26.4 is rated B.</p> <p>External audit follow-up in Dimension 30.3 is rated B.</p>

Annex 6: Tracking performance since previous PEFA assessment using PEFA 2016 framework

COUNTRY NAME: Fiji			Current assessment	Previous assessment (applying PEFA 2016 framework)	
Pillar	Indicator/Dimension		Score	Score	Explanation of change (including comparability issues)
Budget Reliability	PI-1	Aggregate expenditure out-turn	B	D	Reduced outturn variation in aggregate expenditure.
	PI-2	Expenditure composition outturn	B+	D+	See below
		(1) Expenditure composition outturn by function	B	D	Reduced outturn variation by administrative classification
		(2) Expenditure composition outturn by economic type	B	D	Reduced outturn variation by economic classification
		(3) Expenditure from contingency reserves	A	A	No change.
	PI-3	Revenue outturn	B	D	See below
		(1) Aggregate revenue outturn	A	D	Reduced outturn variation by aggregate revenue.
		(2) Revenue composition outturn	C	D	Reduced outturn variation by revenue composition
Transparency of Public Finances	PI-4	Budget Classification	C	C	No change
	PI-5	Budget Documentation	A	B	10 elements now fulfilled.
	PI-6	Central government operations outside financial reports	D	D+	
		(1) Expenditure outside financial reports	D*	D	The main difference is in the coverage. The previous PEFA counted the National Provident Fund as part of the central government. The 2024 assessment covered only the non-commercial statutory authorities which exclude NPF. The asterisk is due to the lack of available data for the last completed fiscal year.
		(2) Revenue outside financial reports	D*	D	Same difference is true on revenues The asterisk is due to the lack of available data for the last completed fiscal year.
		(3) Financial reports of extra-budgetary units	D	B	The inclusion of NPF in the previous PEFA was the key factor in the higher rating in the previous assessment. The rest of the statutory authorities did not improve on reporting. The D rating is due to the lack of available data for the last completed fiscal year. Only reports for 2021-22 were available for the two large statutory authorities (FRA and FWA)
	PI-7	Transfers to subnational governments	B	D+	
		(1) System for allocating transfers	A	C	The previous assessment rating was premised on the lack of a rule-based criteria. The 2024 assessment considered the fact that budget allocation for local councils is based on the

					same rules and guidelines as the budget sector agencies where the budget allocation is based on the merits of every project proposal and not a horizontal formula.
		(2) Timeliness of information on transfers	C	D	The previous assessment was premised on the non-alignment of the budget cycle of the local councils with that of the national government. During the 2024 assessment, this was no longer the situation, as local councils have adopted the fiscal cycle of the national government.
	PI-8	Performance information for service delivery	D+	D+	No change
		(1) Performance plans for service delivery	D	D	No change
		(2) Performance achieved for service delivery	D	D	No change
		(3) Resources received by service delivery units	B	B	No change
		(4) Performance evaluation for service delivery	D	D	No change
Management of assets and liabilities	PI-9	Public access to information	B	B	Performance has been sustained – no change
	PI-10	Fiscal risk reporting	C+	C+	No change
		(1) Monitoring of public corporations	C	C	No change
		(2) Monitoring of subnational government (SNG)	D	D	No change
		(3) Contingent liabilities and other fiscal risks	A	A	No change
	PI-11	Public investment management	C+	C	
		(1) Economic analysis of investment proposals	C	C	
		(2) Investment project selection	A	C	Performance improved as criteria for prioritization were formulated and published
		(3) Investment project costing	C	C	
		(4) Investment project monitoring	C	C	
	PI-12	Public asset management	B	B	No change
		(1) Financial asset monitoring	B	B	Government maintains a record of all financial management assets at CG level.
		(2) Nonfinancial asset monitoring	C	C	No change
		(3) Transparency of asset disposal	A	A	No change
	PI-13	Debt management	A	B	Government now prepares a Debt Management Strategy
		(1) Recording and reporting of debt and guarantees	A	A	No change
		(2) Approval of debt and guarantees	A	A	No Change
		(3) Debt management strategy	A	D	Debt Management Strategy now prepared.
Policy-based fiscal strategy and budgeting	PI-14	Macroeconomic and fiscal forecasting	C+	C+	
		(1) Macroeconomic forecasts	D	C	Interest rate and exchange rate forecasts not available
		(2) Fiscal forecasts	C	B	Improved medium term framework.
		(3) Macro-fiscal sensitivity analysis	A	C	Impact of fiscal policies on macro variables provided.
	PI-15	Fiscal strategy	A	C+	

		(1) Fiscal impact of policy proposals	A	C	Fiscal impact of revenue and expenditure proposals provided.
		(2) Fiscal strategy adoption	A	B	Fiscal strategies provide clear fiscal targets.
		(3) Reporting on fiscal outcomes	A	C	Quarterly fiscal performance reports provide detailed assessment of fiscal situation.
	PI-16	Medium-term perspective in expenditure budgeting	D+	D+	
		(1) Medium-term expenditure estimates	D	B	Forward year estimates are not provided.
		(2) Medium-term expenditure ceilings	D	D	No budget ceilings issued.
		(3) Alignment of strategic plans and medium-term budgets	D	D	Strategic plans not fully costed.
		(4) Consistency of budgets with previous year estimates	A	D	Fiscal results are fed into the analysis of future budget estimates.
	PI-17	Budget preparation process	C	B	
		(1) Budget calendar	A	A	Only three weeks are given to prepare ministry budgets.
		(2) Guidance on budget preparation	D	C	No pre-approved budget ceilings provided.
		(3) Budget submission to the legislature	D	C	Annual budgets submitted to Parliament less than two months before the new fiscal year takes effect.
	PI-18	Legislative scrutiny of budgets	A	C+	
		(1) Scope of budget scrutiny	A	A	Budget document and all supporting documents submitted for Parliament's review.
		(2) Legislative procedures for budget scrutiny	A	A	Standing Orders provide clear procedures on scrutinizing the budget and stakeholder input is invited.
		(3) Timing of budget approval	A	A	Budgets approved prior to new budget commencing.
		(4) Rules for budget adjustments by the executive	A	C	In-year budget amendments are provided in the legislations and are adhered to.
Predictability and control in budget execution	PI-19	Revenue administration	B+	B+	
		(1) Rights and obligations for revenue measures	A	A	
		(2) Revenue risk management	A	A	
		(3) Revenue audit and investigation	A	A	
		(4) Revenue arrears monitoring	C	D	Arrears older than 12 months reduced
	PI-20	Accounting for revenues	A	B+	
		(1) Information on revenue collections	A	B	Not really an improvement in scoring – previous assessment included Pension Contributions as revenue
		(2) Transfer of revenue collections	A	A	
		(3) Revenue accounts reconciliation	A	A	
	PI-21	Predictability of in-year resource allocation	B+	C+	
		(1) Consolidation of cash balances	D	D	No change
		(2) Cash forecasting and monitoring	A	A	" "
		(3) Information on commitment ceilings	A	A	" "

		(4) Significance of in-year budget adjustments	A	D	In accordance with PI-18.4 the procedures are well documented in the FMA.
	PI-22	Expenditure arrears	A	D	Previously data was not sought from the correct officials. Payables are well managed, with prompt settlement - arrears are negligible.
		(1) Stock of expenditure arrears	A	D*	
		(2) Expenditure arrears monitoring	A	D	
	PI-23	Payroll controls	B+	B+	
		(1) Integration of payroll and personnel records	B	B	
		(2) Management of payroll changes	A	A	
		(3) Internal control of payroll	A	A	
		(4) Payroll audit	A	B	Strong system of payroll audits with risk based internal audits, and full integrity checks (ghost workers, etc.) by OAG.
	PI-24	Procurement	D	B	Previous assessment only considered FPO, FRA, and ITC. WAF procurement is significant, but no data received. For previous assessment, it is not clear how completeness was established.
		(1) Procurement monitoring	D	A	Requested EBU procurement data not received.
		(2) Procurement methods	D*	A	
		(3) Public access to procurement information	D	C	
		(4) Procurement complaints management	D	D	
	PI-25	Internal controls on non-salary expenditure	B+	A	
		(1) Segregation of duties	B	A	Not a performance change; The previous assessment looked only at processes within the ministries, but not with the expenditure control exercised by the MOF, which was not documented in the 2010 Finance Instructions.
		(2) Effectiveness of expenditure commitment controls	A	A	
		(3) Compliance with payment rules and procedures	B	B	Performance improvement was confirmed by the OAG
	PI-26	Internal audit effectiveness	D+	A	
		(1) Coverage of internal audit	A	A	
		(2) Nature of audits and standards applied	A	A	
		(3) Implementation of internal audits and reporting	D	A	Not all of the planned audits and report preparation were completed; It was learned that there has been a high staff turnover
		(4) Response to internal audits	B	NA	
Accounting and Reporting	PI-27	Financial data integrity	B+	A	
		(1) Bank account reconciliation	D*	B	There was no evidence on the reconciliation work of the statutory authorities
		(2) Suspense accounts	A	A	

		(3) Advance accounts	A	A	
		(4) Financial data integrity processes	A	A	
	PI-28	In-year budget reports	D+	B+	
		(1) Coverage and comparability of reports	A	B	The basis of the current assessment is the monthly interim financial statements, whereas the previous was based on the state of the nation report
		(2) Timing of in-year budget reports	D	A	Majority of the months in 2023-24, the report was available within two weeks. But the longest time lag was three months.
		(3) Accuracy of in-year budget reports	B	B	
	PI-29	Annual financial reports	B+	D+	
		(1) Completeness of annual financial reports	B	B	
		(2) Submission of reports for external audit	A	D	Timeliness was improved from 11 months to 6 months
		(3) Accounting standards	A	A	
External scrutiny and audit	PI-30	External audit	D+	C+	Due to OAG independence PI30-4
		(1) Audit coverage and standards	B	A	No change
		(2) Submission of audit reports to the legislature	B	B	There was a longer delay in submitting FY202-21 Audit Report – possibly impacted by COVID.
		(3) External audit follow up	B	C	The follow-up on audit recommendations has been done for the three FYs FY2020-21, FY2021-22, FY2022-23
		(4) Supreme Audit Institution (SAI) independence	D	C	Narrative to 2019 PEFA suggest this should also have score D.
	PI-31	Legislative scrutiny of audit reports	B+	B+	No change
		(1) Timing of audit report scrutiny	D	C	Legislative scrutiny completed more than 12 months from receipt of the reports in this assessment, whereas in the previous assessments, it was completed within 5 months (2015) and 12 months (2016).
		(2) Hearings on audit findings	A	A	No change
		(3) Recommendations on audit by the legislature	A	A	No change
		(4) Transparency of legislative scrutiny of audit reports	A	A	No change

Annex 7: Calculation of budget outturns for PI-1, PI-2 and PI-3

Calculation Sheet for Dimensions PI-1.1, PI-2.1 and PI-2.3						
(Fiji \$'000)						
Table 1 - Fiscal years for assessment						
Year 1 =	2021-22					
Year 2 =	2022-23					
Year 3 =	2023-24					
Table 2						
Data for year = 2021-22						
administrative or functional head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Ministry of Education, Heritage and Arts	447,094	431,765	407,541	24,224	24,224	5.9%
Miscellaneous Services	656,738	494,825	598,638	(103,813)	103,813	17.3%
Ministry of Health and Medical Services	406,656	362,988	370,680	(7,692)	7,692	2.1%
Fiji Roads Authority	338,181	346,967	308,263	38,704	38,704	12.6%
Water Authority of Fiji	195,197	199,680	177,929	21,751	21,751	12.2%
Fiji Police Force	185,809	173,980	169,371	4,609	4,609	2.7%
Ministry of Women, Children and Social Protection	138,463	134,773	126,213	8,560	8,560	6.8%
Independent Commissions	29,936	28,708	27,288	1,420	1,420	5.2%
Ministry of Commerce, Trade, Tourism and Transport	86,695	80,865	79,025	1,839	1,839	2.3%
Fiji Military Forces	86,009	86,168	78,400	7,768	7,768	9.9%
Ministry of Sugar Industry	83,319	83,314	75,947	7,367	7,367	9.7%
Higher Education Institutions	47,934	47,934	43,693	4,241	4,241	9.7%
Ministry of Agriculture	61,047	50,856	55,647	(4,791)	4,791	8.6%
Ministry of Finance	54,684	52,034	49,846	2,189	2,189	4.4%
Ministry of Communications	58,151	45,831	53,006	(7,176)	7,176	13.5%
Peacekeeping Missions	45,296	46,063	41,288	4,775	4,775	11.6%
Ministry of Justice	37,250	32,632	33,954	(1,323)	1,323	3.9%
Judiciary	51,586	47,658	47,022	636	636	1.4%
Pensions, Gratuities and Compassionate Allowances	27,370	30,022	24,949	5,073	5,073	20.3%
Ministry of Foreign Affairs	28,258	26,704	25,758	946	946	3.7%
21 (= sum of rest)	263,919	231,262	240,571	(9,308)	9,308	3.9%
allocated expenditure	3,329,590	3,035,026	3,035,026	0	268,205	
interests	378,491	375,046				
contingency	7,000	4,023				
total expenditure	3,715,081	3,414,096				
aggregate outturn (PI-1)						91.9%
composition (PI-2) variance						8.8%
contingency share of budget						0.1%

Table 3								
Data for year = 2022-23								
administrative or functional head	budget	actual	adjusted budget	deviation	absolute deviation	percent		
Ministry of Education	489,932	480,747	453,897	26,850	26,850	5.9%		
Miscellaneous Services	533,751	514,198	494,494	19,704	19,704	4.0%		
Ministry of Health and Medical Services	395,119	339,575	366,058	(26,483)	26,483	7.2%		
Fiji Police Force	182,645	182,175	169,212	12,964	12,964	7.7%		
Ministry of Women, Children and Poverty Alleviation	147,684	158,415	136,822	21,593	21,593	15.8%		
Fiji Roads Authority	376,745	367,044	349,035	18,009	18,009	5.2%		
Water Authority of Fiji	204,317	179,846	189,290	(9,444)	9,444	5.0%		
Fiji Military Forces	94,056	94,175	87,138	7,037	7,037	8.1%		
Ministry of Commerce, Trade, Tourism and Transport	97,194	86,294	90,046	(3,752)	3,752	4.2%		
Peacekeeping Missions	50,845	51,023	47,105	3,917	3,917	8.3%		
Ministry of Finance, Strategic Planning, National Development	68,098	65,021	63,089	1,932	1,932	3.1%		
Ministry of Agriculture and Waterways	64,137	50,212	59,420	(9,207)	9,207	15.5%		
Ministry of Communications	53,784	28,279	49,828	(21,549)	21,549	43.2%		
Judiciary	47,152	46,438	43,684	2,753	2,753	6.3%		
Ministry of Sugar Industry	45,305	45,171	41,973	3,198	3,198	7.6%		
Fiji Correction Services	41,230	37,981	38,197	(217)	217	0.6%		
Independent Commissions	35,332	34,486	32,734	1,752	1,752	5.4%		
Ministry of Housing and Community Development	30,337	17,335	28,105	(10,770)	10,770	38.3%		
Ministry of Foreign Affairs	29,951	28,815	27,748	1,067	1,067	3.8%		
Higher Education Institutions	48,934	47,099	45,335	1,764	1,764	3.9%		
21 (= sum of rest)	315,842	251,493	292,612	(41,119)	41,119	14.1%		
allocated expenditure	3,352,389	3,105,820	3,105,820	(0)	245,081			
interests	453,242	458,009						
contingency	6,500	25,407						
total expenditure	3,812,130	3,589,236						
aggregate outturn (PI-1)						94.2%		
composition (PI-2) variance						7.9%		
contingency share of budget						0.7%		
Table 4								
Data for year = 2023-24								
administrative or functional head	budget	actual	adjusted budget	deviation	absolute deviation	percent		
Ministry of Education	505,365	500,460	474,201	26,260	26,260	5.5%		
Miscellaneous Services	456,144	428,684	428,015	668	668	0.2%		
Ministry of Health and Medical Services	453,685	384,982	425,709	(40,727)	40,727	9.6%		
Fiji Roads Authority	387,586	405,815	363,685	42,130	42,130	11.6%		
Water Authority of Fiji	250,818	251,495	235,351	16,144	16,144	6.9%		
Ministry of Women, Children and Social Protection	200,185	190,421	187,840	2,580	2,580	1.4%		
Fiji Police Force	183,736	187,738	172,406	15,333	15,333	8.9%		
Ministry of Trade etc.	116,540	109,638	109,353	285	285	0.3%		
Higher Education Institutions	103,328	101,328	96,956	4,372	4,372	4.5%		
Fiji Military Forces	103,099	100,788	96,741	4,047	4,047	4.2%		
Ministry of Public Works etc	98,296	85,420	92,234	(6,815)	6,815	7.4%		
Ministry of Agriculture and Waterways	95,151	79,029	89,284	(10,254)	10,254	11.5%		
Ministry of Finance, Strategic Planning, National Development	89,887	75,307	84,344	(9,037)	9,037	10.7%		
Ministry of Tourism and Civil Aviation	52,286	45,793	49,062	(3,269)	3,269	6.7%		
Ministry of Multi-Ethnic Affairs and Sugar Industry	51,694	52,619	48,506	4,114	4,114	8.5%		
Office of Prime Minister	50,795	40,165	47,663	(7,498)	7,498	15.7%		
Ministry of Civil Service	50,575	49,141	47,456	1,685	1,685	3.6%		
Judiciary	50,049	44,574	46,962	(2,389)	2,389	5.1%		
Fiji Correction Services	46,992	41,274	44,094	(2,821)	2,821	6.4%		
Peacekeeping Missions	56,956	60,415	53,443	6,971	6,971	13.0%		
21 (= sum of rest)	393,595	327,545	369,324	(41,779)	41,779	11.3%		
allocated expenditure	3,796,760	3,562,630	3,562,630	0	249,176			
interests	536,611	520,113						
contingency	6,500	11,043						
total expenditure	4,339,871	4,093,786						
aggregate outturn (PI-1)						94.3%		
composition (PI-2) variance						7.0%		
contingency share of budget						0.3%		
Table 5 - Results Matrix								
	year	for PI-1.1		for PI-2.1		for PI-2.3		
		total exp. Outturn		composition variance		contingency share		
	2021-22	91.9%		8.8%		0.3%		
	2022-23	94.2%		7.9%				
	2023-24	94.3%		7.0%				

Calculation Sheet for Expenditure by Economic Classification Variance PI-2.2

	(Fiji \$'000s)					
Table 1 - Fiscal years for assessment						
Year 1 =	2021-22					
Year 2 =	2022-23					
Year 3 =	2023-24					
Table 2						
Data for year =		2021-22				
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Established Staff	938,963	888,208	862,891	25,317	25,317	2.9%
Wage Earners	45,185	41,715	41,524	191	191	0.5%
Travel and Communications	22,989	25,968	21,126	4,841	4,841	22.9%
Maintenance and Operations	65,959	68,210	60,615	7,595	7,595	12.5%
Purchase of Goods and Services	177,510	157,511	163,129	(5,618)	5,618	3.4%
Operating Grants and Transfers	605,353	593,462	556,309	37,153	37,153	6.7%
Special Expenditures	136,454	81,347	125,399	(44,051)	44,051	35.1%
Pensions, Gratuities, and Compassionate Allowances	31,774	30,022	29,200	823	823	2.8%
Charges on Public Debt	8,200	4,710	7,536	(2,825)	2,825	37.5%
Interest Payment on overseas loans	19,156	19,213	17,604	1,609	1,609	9.1%
Interest Payment on deomestic loans	351,135	351,123	322,687	28,435	28,435	8.8%
Capital Construction	88,345	58,170	81,187	(23,017)	23,017	28.4%
Capital Purchase	49,594	42,778	45,576	(2,798)	2,798	6.1%
Capital Grants and Transfers	1,127,764	1,022,100	1,036,395	(14,296)	14,296	1.4%
Value Added Tax Input Tax	46,702	29,558	42,918	(13,360)	13,360	31.1%
Total expenditure	3,715,081	3,414,095	3,414,095	0	211,929	
composition variance						6.2%
Table 3						
Data for year =		2022-23				
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Established Staff	978,794	917,424	921,565	(4,141)	4,141	0.4%
Wage Earners	46,760	46,443	44,026	2,418	2,418	5.5%
Travel and Communications	28,034	32,553	26,395	6,159	6,159	23.3%
Maintenance and Operations	77,970	80,770	73,411	7,359	7,359	10.0%
Purchase of Goods and Services	198,116	186,750	186,532	218	218	0.1%
Operating Grants and Transfers	663,586	650,101	624,786	25,315	25,315	4.1%
Special Expenditures	122,470	166,023	115,309	50,714	50,714	44.0%
Capital Construction	103,246	55,137	97,209	(42,072)	42,072	43.3%
Capital Purchase	61,252	49,269	57,671	(8,401)	8,401	14.6%
Capital Grants and Transfers	996,064	879,245	937,824	(58,579)	58,579	6.2%
Pensions, Gratuities, and Compassionate Allowances	31,774	28,298	29,916	(1,618)	1,618	5.4%
Charges on public debt	7,200	1,715	6,779	(5,064)	5,064	74.7%
Interest Payments on overseas loans	85,579	95,733	80,575	15,158	15,158	18.8%
Interest Payments on domestic loans	360,463	360,561	339,386	21,174	21,174	6.2%
Value Added Tax Input Tax	50,824	39,215	47,852	(8,638)	8,638	18.1%
Total expenditure	3,812,130	3,589,236	3,589,236	(0)	257,028	
composition variance						7.2%

Table 4						
Data for year = 2023-24						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Established Staff	1,015,290	988,404	957,696	30,708	30,708	3.2%
Wage Earners	48,752	53,618	45,986	7,632	7,632	16.6%
Travel and Communications	33,591	36,810	31,685	5,125	5,125	16.2%
Maintenance and Operations	86,066	80,945	81,184	(239)	239	0.3%
Purchase of Goods and Services	215,469	196,512	203,246	(6,735)	6,735	3.3%
Operating Grants and Transfers	837,878	812,670	790,348	22,322	22,322	2.8%
Special Expenditures	226,670	280,926	213,812	67,114	67,114	31.4%
Pensions, Gratuities, and Compassionate Allowances	36,540	29,255	34,467	(5,212)	5,212	15.1%
Finance Charges on Public Debt	536,611	520,113	506,171	13,942	13,942	2.8%
Capital Construction	127,100	74,796	119,890	(45,094)	45,094	37.6%
Capital Purchase	99,418	73,130	93,778	(20,649)	20,649	22.0%
Capital Grants and Transfers	965,603	868,267	910,828	(42,562)	42,562	4.7%
Value Added Tax Input Tax	110,884	78,241	104,594	(26,353)	26,353	25.2%
Total expenditure	4,339,871	4,093,686	4,093,686	(0)	293,686	
composition variance						7.2%
Table 5 - Results Matrix						
	year	composition variance				
	2021-22	6.2%				
	2022-23	7.2%				
	2023-24	7.2%				

Calculation Sheet for Revenue outturn PI-3						
		(Fiji \$'000s)				
Table 1 - Fiscal years for assessment						
Year 1 =	2021-22					
Year 2 =	2022-23					
Year 3 =	2023-24					
Table 2						
Data for year = 2021-22						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Tax revenues						
Direct Taxes	481,348	464,561	468,036	(3,475)	3,475	0.7%
Indirect Taxes	1,229,161	1,227,452	1,195,167	32,285	32,285	2.7%
Fees, Charges, Fines and Penalties	135,430	148,657	131,684	16,972	16,972	12.9%
Grants in Aid	214,232	232,618	208,307	24,310	24,310	11.7%
Reimbursements and Recoveries	83,754	15,098	81,437	(66,339)	66,339	81.5%
Other Receipts	27,966	33,390	27,193	6,197	6,197	22.8%
Sales of Government Assets	14,874	13,089	14,463	(1,374)	1,374	9.5%
Sum of rest	66,358	55,948	64,523	(8,575)	8,575	13.3%
Total revenue	2,253,124	2,190,811	2,190,811	(0)	159,527	
overall variance						97.2%
composition variance						7.3%
Table 3						
Data for year = 2022-23						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Tax revenues						
Direct Taxes	573,795	659,387	536,691	122,696	122,696	22.9%
Indirect Taxes	1,748,324	1,625,607	1,635,272	(9,664)	9,664	0.6%
Fees, Charges, Fines and Penalties	159,924	161,660	149,583	12,077	12,077	8.1%
Grants in Aid	244,962	167,047	229,122	(62,076)	62,076	27.1%
Reimbursements and Recoveries	86,175	12,887	80,603	(67,716)	67,716	84.0%
Other Receipts	32,211	40,068	30,128	9,940	9,940	33.0%
Sales of Government Assets	15,000	13,577	14,030	(453)	453	3.2%
Sum of rest	79,540	69,591	74,396	(4,805)	4,805	6.5%
Total revenue	2,939,931	2,749,825	2,749,825	0	289,427	
overall variance						93.5%
composition variance						10.5%
Table 4						
Data for year = 2023-24						
Economic head	budget	actual	adjusted budget	deviation	absolute deviation	percent
Tax revenues						
Direct Taxes	816,438	1,009,130	804,402	204,728	204,728	25.5%
Indirect Taxes	2,291,221	2,087,654	2,257,443	(169,789)	169,789	7.5%
Fees, Charges, Fines and Penalties	166,631	154,220	164,174	(9,954)	9,954	6.1%
Grants in Aid	216,761	194,968	213,566	(18,598)	18,598	8.7%
Reimbursements and Recoveries	46,691	11,783	46,002	(34,219)	34,219	74.4%
Other Receipts	31,689	44,761	31,221	13,539	13,539	43.4%
Sales of Government Assets	5,207	7,895	5,131	2,764	2,764	53.9%
Sum of rest	126,087	135,757	124,228	11,528	11,528	9.3%
Total revenue	3,700,725	3,646,167	3,646,167	0	465,119	
overall variance						98.5%
composition variance						12.8%
Table 5 - Results Matrix						
	year	total revenue deviation		composition variance		
	2021-22	97.2%		7.3%		
	2022-23	93.5%		10.5%		
	2023-24	98.5%		12.8%		