

A horizontal band with a blue geometric pattern of triangles and squares, serving as a background for the title.

2016 - 2017 ANNUAL REPORT

OFFICE OF THE PRIME MINISTER

PERMANENT SECRETARY FOREWORD



The Office of the Prime Minister is unwavering in its determination to provide Robust Leadership & Equitable Development for All in Fiji.

In continuing with rebuilding the Ministry's image, the Office of the Prime Minister in the period 2016 – 2017 stepped up its role and support to the Prime Minister to meet the important task of rebuilding after TC Winston and building back better, however this was also an important period because Fiji reached many important milestones, Fiji successfully handed over the Chairmanship of the Pacific Island Development to Solomon Islands at the 4th Leaders' Summit in Honiara in July 2016, strengthening the role and confidence in this important regional forum. The Fiji men's 7s Team did the nation proud by bringing home the first Summer Olympics Gold medal., the Office of the Prime Minister played a lead role in the organization of the welcome ceremony for our Gold Medalists.

Fiji's candidate for President of the General Assembly of the United Nations, Peter Thomson began in his role from September 2016, the Prime Minister reciprocated a visit to his New Zealand counterpart in what was deemed as an important occasion in strengthening ties between Fiji and New Zealand and also renewed relations with the Oceania region. Fiji was also elected COP 23 President at the UNCOP 22 in Morocco, a role which would see Fiji carry an important message after TC Winston for more action and greater ambition by the world. Fiji hosted the 25th Asia Pacific Parliamentary Forum at InterContinental Hotel in Natadola. Fiji also held its first Fiji-US Dialogue in Washington and also went on to co-chair the UN Oceans Conference with Sweden in June 2017, an important role especially given that Fiji was surrounded by the majestic Pacific Ocean. Fiji a small nation punched above its weight and the Office of the Prime Minister was privileged to witness this important milestones and help provide support to the Prime Minister and his leadership in many international and local engagements.

Overall the Office of the Prime Minister met 90% of its key deliverables, 10% were not met due to the realignment of priorities following TC Winston. The Office of the Prime Minister was provided with a total budget of \$17.6 million for the 2016 - 2017 financial year. As at August 2016, we had a total of 108 employees including Government Wage Earners (GWE). By 31st July 2017, the number of employees had reduced to 101; due to the realignment of OPM organizational structure. This realignment led to savings in SEG 1 of \$38,387.00 and overall savings based on the new structure against the existing moved was \$122,819.00. There was also a saving of \$9899.68 in SEG 2.

The Ministry continued with capacity building of staff to meet the role of the Ministry, this saw 100% participation in some form of professional development, these training were carried out in specific areas depending on the identified training needs to bridge skills gap within the Ministry. In an effort, to gauge the staff morale, the office also conducted a Staff Morale survey, the results of which was successfully implemented.

I take this opportunity to thank all the members of the staff at the Prime Minister's Office for their perseverance, patience and strength, particularly during the shift in priorities. With the new financial year ahead of us, I look forward to leading an outstanding team of employees and a Ministry focused on advancing its image and on achieving its key deliverables well.



Yogesh J. Karan
Permanent Secretary

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VISION

A Modernised Nation State through Robust Leadership and Equitable Development for all.

MISSION

- ✓ The Office of the Prime Minister ensures that the Hon. Prime Minister is provided with comprehensive policy advice that impacts on Economic, Social, Governance and, Cultural Development processes at national and all levels of society.
- ✓ To achieve our vision the Office of the Prime Minister will demonstrate: vigilant oversight of National Policies through robust coordination processes,
- ✓ high visibility engagement with all key stakeholders; and
- ✓ innovative and dynamic processes for effective and sustainable policy development, implementation and evaluation of Government objectives.

VALUES

- ✓ LOYALTY
to the Government of the day
- ✓ RESPECT
for one another
- ✓ RELIABILITY
to do our jobs properly and assuring the Government that it can depend on us for support
- ✓ ACCOUNTABILITY
for everything that we do and the decisions we make
- ✓ PROFESSIONALISM
through the level of competence, honesty and fairness in the delivery of our services
- ✓ TOLERANCE
for individual differences and working together without prejudice, bias, or discrimination; and
- ✓ UPHOLD
the Values and Ethics of the Fiji Public Service

ABOUT THE REPORT

This Biannual Report details our performance and commitments in our focus areas of robust leadership and equitable development for all. It provides data and examples that highlight our progress and describe our approach.

The report has been prepared in line with the Financial Management Act and Section 14 of the Amended of the Public Service Act 1999 which states that “(1) Within 2 months after the end of each year ending on 31 December, the Commission must provide the Minister with an annual report and a report of the performance of each permanent secretary during the year.”

This report entails the following:

1. The Organisation Structure in the Office of the Prime Minister;
2. Outlines our contribution of the respective Division/ Units Outcomes, Outputs and Key Performance Indicators; and
3. Highlights the Achievements and Results in the Office of the Prime Minister.

LETTER FROM THE PERMANENT SECRETARY TO THE PRIME MINISTER

23 November 2017

Honorable Josia Voreqe Bainimarama
Prime Minister of the Republic of Fiji
Office of the Prime Minister
Government Building
Suva.

Dear Sir,

In accordance with the requirements of the Financial Management Act 2004, I hereby submit for your information and presentation to Parliament the Annual Report for the Office of the Prime Minister for the 2016-2017 financial years.



Yogesh J. Karan
Permanent Secretary

ACRONYMS

| | |
|----------------|--|
| OPM | Office of the Prime Minister |
| ESO | Executive Support Office |
| PSB | Public Service Broadcast |
| PIDF | Pacific Island Development Forum |
| PD | Policy Division |
| FENC | Funds for the Education of Needy Children |
| DCFD | Development Cooperation and Facilitation Division |
| VAT | Value Added Tax |
| MVT | Melanesian/ Vasu i-Taukei |
| CSU | Clients Services Unit |
| MM | Media Monitors |
| PSOPM | Permanent Secretary of the Office of the Prime Minister |
| ACP | Annual Corporate Plan |
| BOS | Board of Survey |
| UNESCAP | United Nations Economic and Social Commission for Asia and the Pacific |
| CSD | Corporate Services Division |
| HOD | Head of Department |
| CAPP | Climate Action Pacific Partnership |
| COMPOL | Commissioner of Police |
| COMPRI | Commissioner of Prison |
| TLTB | i-Taukei Land Trust Board |

OUR SENIOR LEADERS



YOGESH KARAN
Permanent Secretary



PENIANA LALABALAVU
Deputy Secretary
Policy Division



SAKEASI WAIKERE
Deputy Secretary
Corporate Services &
International Corporation

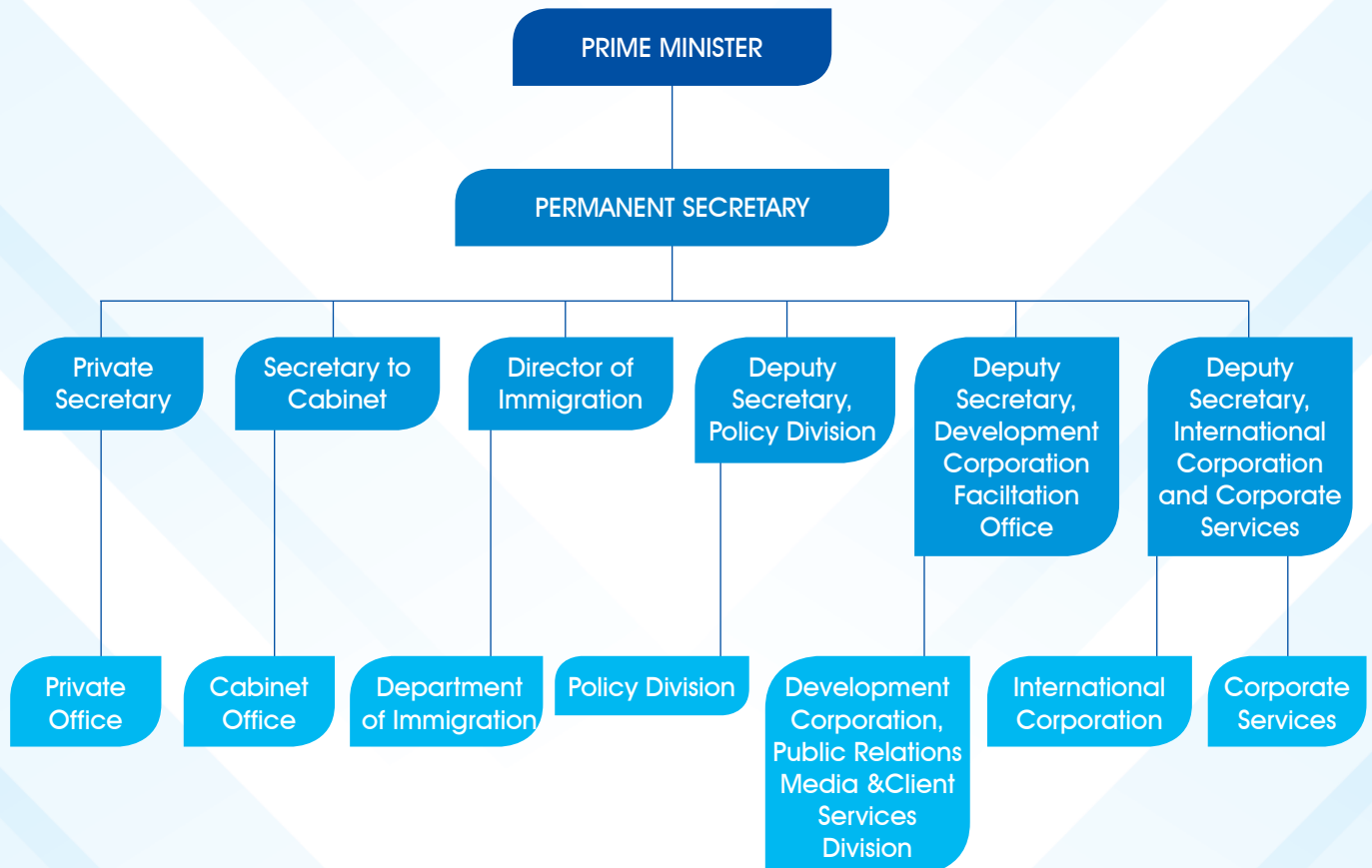


SUSAN KIRAN
Secretary to Cabinet

“Leadership is the capacity to
translate vision into reality.”

Warren Bennis

ORGANISATION STRUCTURE as at 01 January 2016.



THE DIVISIONS

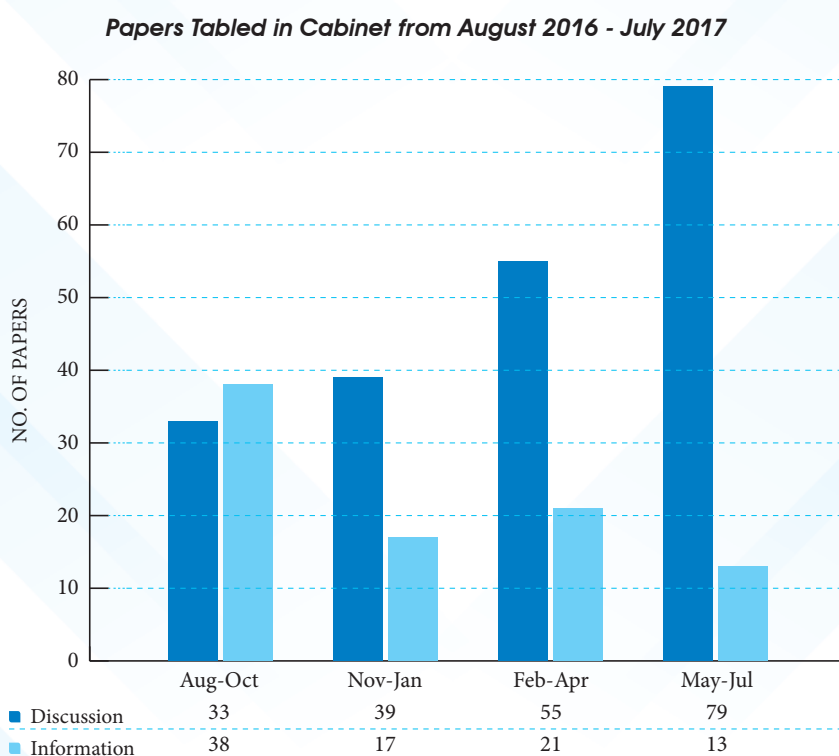
CABINET OFFICE

The Cabinet Office provides administrative and secretariat support to the Cabinet. It is based in the Office of the Prime Minister and is headed by the Secretary to the Cabinet. From August 2016 - July 2017, the Cabinet Office had three established staff and two support staff.

During this period, the Cabinet Office coordinated 11 Cabinet Meetings, and facilitated decisions on 295 Cabinet submissions from 21 Ministries under the portfolio of 12 Ministers. These decisions were on legislations, regional and international meetings and conferences, financial matters, policy issues, and matters pertaining to regional and international cooperation. A total of 46 Annual Reports were also tabled in Cabinet.

Ministerial leave, overseas travel and acting appointments were administered in consultations with the Hon. Prime Minister.

The Office continued to facilitate parliamentary pension allowances, and requests for the use of the Fiji Flag and the Coat of Arms.



TABULATED BELOW ARE THE ANNUAL REPORTS TABLED IN CABINET

| | |
|---|---|
| Office of the Prime Minister | <ul style="list-style-type: none"> Office of the Prime Minister 2015 Annual Report Ministry of iTaukei Affairs 2015 Annual Report |
| iTaukei Affairs | <ul style="list-style-type: none"> iTaukei Trust Fund Board 2015 Annual Report Ministry of iTaukei Affairs 2015 Annual Report |
| Solicitor General's Office | <ul style="list-style-type: none"> Office of the Auditor-General Annual Report 2015 Fiji Correction Service Annual Report 2015 Fijian Electoral Commission Annual Report 2016 |
| Ministry of Economy | <ul style="list-style-type: none"> 2015 Fiji Financial Intelligence Unit Annual Report Reserve Bank of Fiji Insurance Annual Report 2015 Investment Fiji Annual Report 2014 2016 Fiji National Provident Fund Annual Report 2015 Fiji Public Trustee Corporation Limited Annual Report. Fiji Development Bank 2014 Annual Report Fiji Development Bank 2015 Annual Report Unit Trust of Fiji Management Ltd Annual Report 2015 Consumer Council of Fiji Annual Report 2015 Reserve Bank of Fiji January – July 2016 Report Fiji Financial Intelligence Unit 2016 Annual Report |
| Ministry of Public Enterprise | <ul style="list-style-type: none"> Fiji Electricity Authority 2015 Annual Report Fiji Meat Industry Board Annual Report 2013 2015 Airports Fiji Limited Annual Report Civil Aviation Authority of Fiji Annual Report 2015 Fiji Ports Corporation Limited Annual Report 2015 Pacific Fishing Company Limited Annual Report 2015 Fiji Electricity Authority of Fiji Annual Report 2016 |
| Ministry of Local Government, Housing & Environment | <ul style="list-style-type: none"> Ministry of Local Government, Urban Development Housing and Environment 2010 Annual Report Ministry of Local Government, Urban Development Housing and environment 2011 Annual Report Public Rental Board Annual Report 2015 |
| Ministry of Forests | <ul style="list-style-type: none"> Department of Forests Annual Report 2014 Forestry Department Annual Report 2015 |

TABULATED BELOW ARE THE ANNUAL REPORTS TABLED IN CABINET continued

| | |
|---|---|
| Ministry of Rural & Maritime Development | <ul style="list-style-type: none">• Ministry of Rural and Maritime Development and National Disaster Management Annual Report for the Year 2015 |
| Ministry of Defence & National Security | <ul style="list-style-type: none">• Fiji Police Force Annual Report 2013• Fiji Police Force Annual Report 2015• Ministry of Defence, National Security and Immigration Annual Report 2015 |
| Ministry of Education, Heritage & Arts | <ul style="list-style-type: none">• Ministry of Education, Heritage and Arts 2015 Annual Report• Fiji Higher Education Commission 2014 Annual Report.• Fiji National University Annual Report 2015• University of the South Pacific 2016 Annual Report |
| Ministry of Employment, Productivity & Industrial Relations | <ul style="list-style-type: none">• Ministry of Labour, Industrial Relations and Productivity 2004 Annual Report• Ministry of Labour, Industrial Relations and Productivity 2005 Annual Report• Ministry of Labour, Industrial Relations and Productivity 2006 Annual Report• Ministry of Labour, Industrial Relations and Productivity 2007 Annual Report |
| Ministry of Health & Medical Services | <ul style="list-style-type: none">• Ministry of Health and Medical Services Annual Report 2015 |
| Ministry of Youth & Sports | <ul style="list-style-type: none">• Fiji National Sports Commission Annual Report 2015• Fiji Association of Sports and National Olympic Committee Annual Report 2016 |
| Ministry of Fisheries | <ul style="list-style-type: none">• Department of Fisheries 2014 Annual Report• Department of Fisheries 2015 Annual Report |

EXECUTIVE SUPPORT OFFICE

In the period 2016 – 2017, The ES office supported the Prime Minister through the Permanent Secretary in the following areas :

1. Supporting the Prime Minister and Permanent Secretary carry out their roles and functions;
2. Guests of the Office of the Prime Minister & Important National Events;
3. Advancing Fiji's Interest through enhanced engagement with international partners;
4. Speeches and Messages; and
5. Other Responsibilities

Highlights

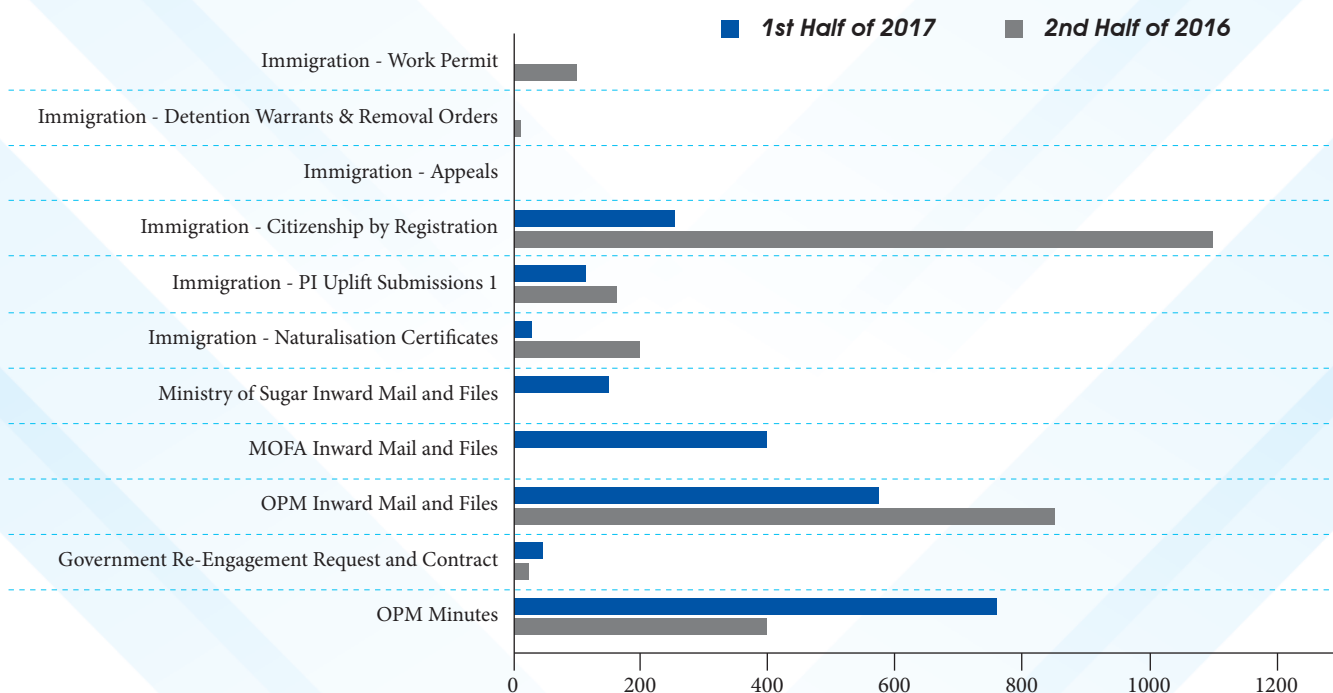
1. Supporting the Prime Minister and Permanent Secretary carry out their roles and functions.

2016 – 2017 was an extremely busy period, the Division supported the Prime Minister through the Permanent Secretary in his role. The Prime Minister's role as set out in the Constitution and Ministerial Assignment and the Permanent Secretary's role as set out in Section 127 of the Constitution. An example of the Prime Minister's role is the engagement of expatriates, as outlined in the Constitution, this can only be approved by the Prime Minister. Thus these submissions were also received at the Office of the Prime Minister for processing.

The Prime Minister took up an additional Ministerial Assignment that is Minister for Immigration in the 2nd half of 2016 with the Permanent Secretary Office of the Prime Minister also taking up the additional role of Permanent Secretary Immigration. This saw a shift in the volume of work carried out at the Executive Support Office, this also saw the addition of officers to ESO to respond to the emerging responsibilities and priorities of the Prime Minister and Permanent Secretary.

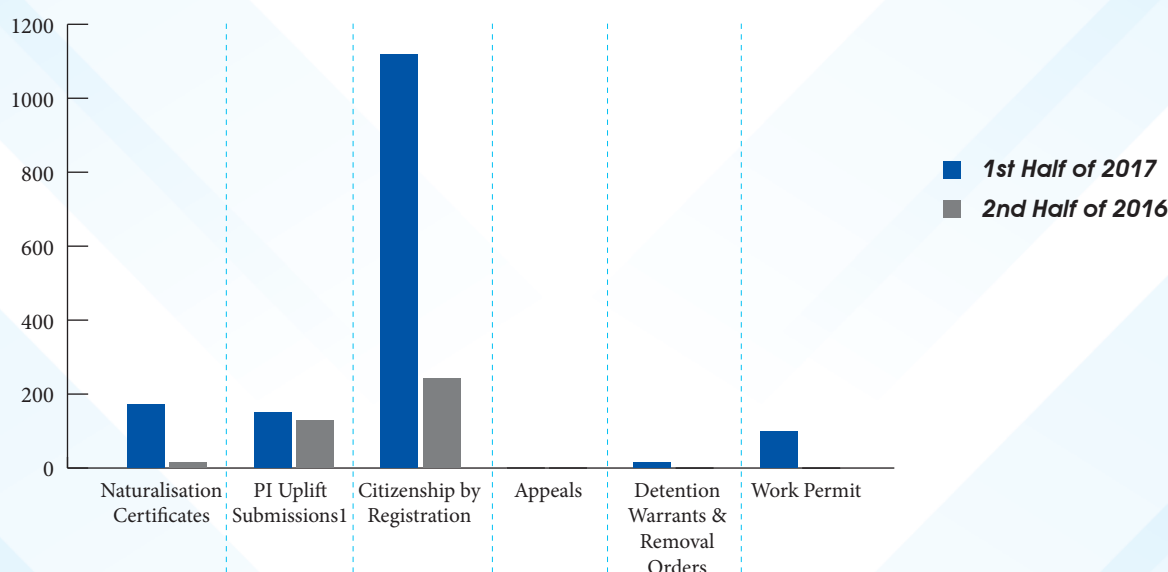
In 2016 – 2017 financial year, ESO supported the Minister and Permanent Secretary in reaching decisions on more than 5,000 files or correspondences which were processed through Executive Support Office.

No of Files or Correspondence processed through ESO



1,949 of these were Immigration Files, which ranged from Naturalization, Prohibited Immigrants, and Citizenship by Registration, Appeals, Detention warrants and Removal Orders to Work Permits.

No of Immigration Files Processed for Decision 2016/2017



In addition to Immigration Department, the Ministry of Foreign Affairs was also an additional Ministry placed under the responsibility of the Permanent Secretary Foreign Affairs in the first half of 2017 when the position became vacant.

Apart from the organization of decisions for the appointments of Resident and Non Resident Ambassadors/High Commissioners and courtesy calls on the Prime Minister the Executive Support Team, helped increase effective collaboration between the Office of the Prime Minister and Ministry of Foreign Affairs by providing support to the movement and follow through of 383 Ministry of Foreign Affairs Files between the Permanent Secretary and Minister for Foreign Affairs who were based at the Office of the Prime Minister and the staff at the Ministry of Foreign Affairs Headquarters in Nasese.

2. Guests of the Office of the Prime Minister & Important National Events

Following the 20 and 21 February Category 5 Severe Tropical Cyclone Winston, the Executive Support Team worked around the clock providing support to the Prime Minister and Permanent Secretary's work in the rebuilding efforts. The team ensured that all funds donated to the Prime Minister's Rehabilitation Programme through the Office of the Prime Minister were acknowledged via a letter of appreciation and receipted accordingly.

In July 2016 the Executive Support team together with the Ministry of Foreign Affairs provided support to the Prime Minister and outgoing Chair of the Pacific Islands Development Forum in Honiara at the 4th PIDF Conference and the MSG Meeting that followed.

In August 2016 the Executive Support team provided support to the Permanent Secretary who had chaired the 2016 Welcome to our Fiji Men's 7s Team Committee. The team travelled to Prince Charles Park, ANZ national stadium and Subrail Park for the celebrations. The team also organized logistics for the handing over of donations at the Office of the Prime Minister to the Fiji men's 7s team in appreciation of their gold medal win at the 2016 Rio Olympics.

In January 2017, Fiji hosted the Asia-Pacific Parliamentary Forum, which was opened by the Prime Minister and whereby the Prime Minister held bilateral talks with the Heads of Delegation along the margins of the Forum. The Executive Support team travelled down to Natadola to provide support to the Prime Minister and Permanent Secretary at the bilateral talks.

3. Advancing Fiji's Interest through enhanced engagement with international partners.

The Prime Minister undertook significant bilateral visits overseas to extend relations but more so in his capacity as incoming COP 23 President to set up the necessary groundwork in preparation for the Oceans and COP 23 meetings. However, just as important in October 2016 the Prime Minister reciprocated a visit by the Prime Minister of New Zealand Hon. John Key to Fiji by visiting his counterpart in Auckland New Zealand where they held continued talks. The Executive Support team assisted with the necessary logistics and minute taking of the meeting in Suva and also in Auckland.

The Executive Support team with the Policy Division and Ministry of Foreign Affairs planned, coordinated and successfully delivered 18 of the Prime Ministerial visits overseas and events/meetings in 8 countries.

In June 2017, Fiji chaired the first ever United Nations Oceans Conference. The Executive Support team together with the Policy Division provided support to the Prime Minister through the Permanent Secretary Office of the Prime Minister during this busy period in New York. Also in June 2017 the Prime Minister met with Acting Assistant Secretary Thornton and other senior U.S. Government officials in Washington, D.C. The Executive Support team also provided support to the Prime Minister through the Permanent Secretary. The meeting was hailed a success.

4. Speeches and Messages

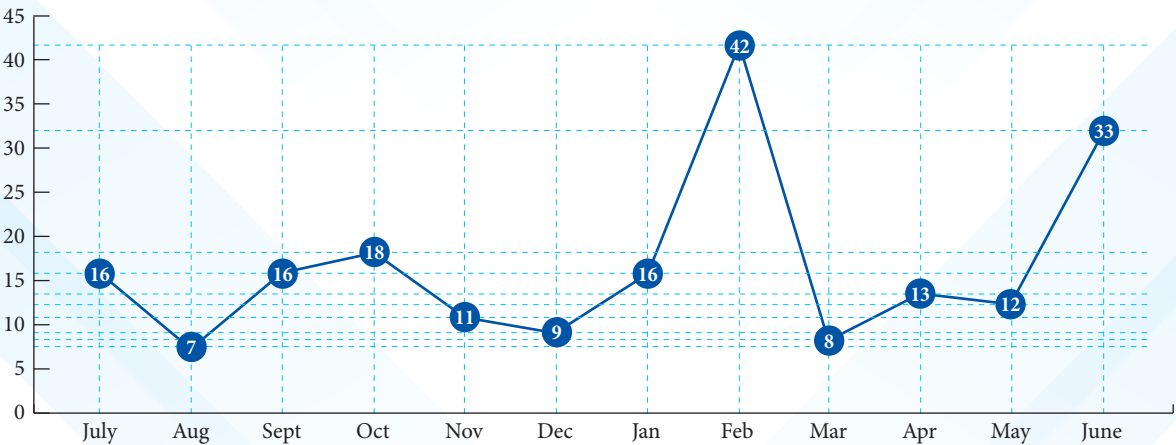
The Executive Support team, was pivotal in the organizing of the draft speeches, formatting and finalizing of the Prime Minister's speeches. The Prime Minister delivered more than 200 speeches and provided messages in the reporting period. The peak in the number of speeches are from the Prime Minister's Vanua Levu tour in February and also from his trip to New York when Fiji Chaired the United Nations Oceans Conference.

| 2016 | Meetings | Venue |
|-------|--|------------|
| July | 4th Pacific Island Development Forum leaders' summit | Honiara |
| July | Melanesian Spearhead group meeting | Honiara |
| Sept | 71st session of the UNGA | New York |
| Oct | Sydney Trade and Investment Symposium | Sydney |
| Oct | New Zealand official visit | Auckland |
| Nov | Israel official visit | Israel |
| Nov | UNFCCC COP 22 | Morocco |
| Dec | European commission seminar on sport diplomacy | Brussels |
| 2017 | Meetings | Venue |
| Jan | Asia-Pacific Parliamentary Forum opening | Natadola |
| Mar | Meeting with Governor Brown. | California |
| Mar | Meeting with Ted White at Fahr LLC offices | California |
| Mar | Meeting with former US Secretary General John Kerry | Chicago |
| Mar | Meeting of us climate leaders in the private sector | Chicago |
| Mar | Meeting with Terry Tamminen, CEO of the Leonardo Dicaprio foundation | California |
| March | Ocean conference regional leaders preparatory meeting | Suva |
| May | Belt and Road Forum | Beijing |
| May | Petersberg Dialogue | Berlin |
| May | 4TH Australasian Emissions Reduction Summit | Melbourne |
| June | United Nations Ocean Conference | New York |
| June | US – Fiji Dialogue | Washington |

5. Other Responsibilities

Other areas in which the Executive Support team assisted, is through the participation of Executive Support staff as selection panel members for recruitments, the office also facilitated in the provision of decisions for the following:

- Approvals for tinting of Government vehicles;
- Permanent Secretary’s Forum meetings;
- Permanent Secretary’s Hour
- Approval for the use of Albert Park;
- Overseas Official Release of Permanent Secretaries, COMPOL, COMPRI and CRFMF;
- Recruitment of Non-Fiji Nationals or Expatriate Appointments; and
- Implementation of the Diplomatic Missions Act.



PRIVATE OFFICE

The Private office's primary responsibility is to ensure efficient provision of administrative and logistic support and protocol services to the Hon. Prime Minister and his spouse, effective management of their security requirements in conjunction with the Republic of Fiji Military Forces and Fiji Police Force and the facilitation of required services to the residence. In addition, Private Office also attends to public complaints, accommodating the Hon. Prime Minister's open door policy, and any other duties as assigned by the Hon. Prime Minister.

Highlights

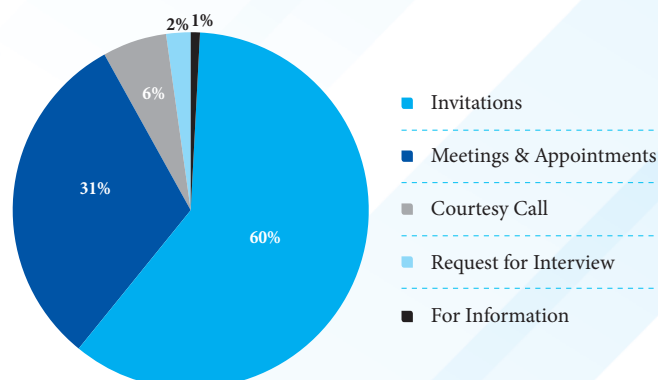
Facilitate decision Making & Administrative/Logistic Support to the Hon Prime Minister. Private Office received the following:

- 229 correspondences addressed to the Hon. Prime Minister were received and the response breakdown is tabulated below:

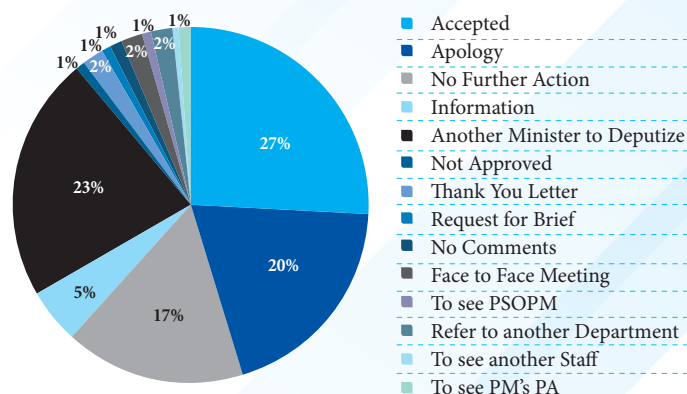
| | |
|-------------------------------------|----|
| <i>Approved</i> | 61 |
| <i>Apology</i> | 45 |
| <i>No Further Action</i> | 39 |
| <i>Information</i> | 11 |
| <i>Another Minister to Deputize</i> | 53 |
| <i>Not Approved</i> | 1 |
| <i>Thank You Letter</i> | 5 |
| <i>Request for Brief</i> | 2 |
| <i>No Comments</i> | 1 |
| <i>Face to Face Meeting</i> | 2 |
| <i>To see PSOPM</i> | 4 |
| <i>Refer to another Department</i> | 3 |
| <i>To see another Staff</i> | 1 |
| <i>To see PM's PA</i> | 1 |

2016-17: Summary Matrix tabled before the Hon. Prime Minister

Invitations received by the Hon. Prime Minister



Response to the correspondences addressed to the Hon. Prime Minister



- Programs attended – 175
- Correspondences to Private Office – 367
- * Memo – 106
- * Letters – 145
- * Minutes – 116

POLICY DIVISION

1. National Policy Initiatives

i. Formulation and Revision of National Policy Initiatives

The Policy Division contributes to formulation and revision of National Policy Initiatives by providing recommendation, guidance and advice on factors that needs to be considered to ensure successful policy implementation.

Major policy Initiatives, which the unit had contributed to;

- National Financial Inclusion Strategy
- World Ocean Summit by Zany Mitton
- Commonwealth Marine Economics
- Asia Pacific Parliamentary Forum
- Water and Waste water master plans
- Food Security (Fisheries Assistance)
- Micro, Small & Medium Enterprises Taskforce
- International Business Awards
- Code of Conduct Bills
- Rotuma Bills
- Ocean Policy
- Macro-Economic Policy Committee

ii. Policy Advice

One of the core role of the division is providing policy advice to the Hon. PM and PS OPM on a various thematic areas and events from the three sectors.

Major policy advices provided are as follows:

- TLTB Board Meeting Briefs
- Eco Power Solar Farm Proposal
- Head of Missions meeting (Key Considerations)
- Fiji's Position on West Papua
- PSIDs Discussion Paper for Climate Action Pacific Partnership (CAPP)
- Permanent Secretary Forum
- Branding Fiji 7s and Flying Fijian
- Future of Rugby
- Minority Sports Fund

iii. Cabinet Paper Formulation and Analysis

- i. Cabinet Paper Analysis - for the 10 Cabinet meetings, Policy Division analyzed total of 48 papers. Out of which 46% were from the Economic Sectors, 33% from Socio and 21% from the Governance sector respectively.
- ii. Cabinet Paper formulation and Reviewing – The unit prepared Cabinet submission on three international engagements namely; ISO Meeting in Turkey, 72nd Session of the UNESCAP Commission and 8th Summit of the ACP and EU. On the Belt and Road Forum (BRF) in China, the unit took the lead role in the formulation and coordination of the preparation of a Cabinet submission.

2. Oversight of National Initiatives

- i. **Budget Utilization** - The unit aims to strengthen its oversight role in the implementation and development of Government initiatives.

A budget utilization report was prepared for the information of the Head of Units (HOD) forum which highlighted areas of improvement on implementation of Government programs and projects. The report also identifies Ministries with low and very good budget utilization rates.

3. Coordinate the Prime Minister's International Engagements

- i. Drafting and Review Speeches, Talking Points for;
 - Roadshows
 - Local Engagements (RioGold Celebrations, Northern Division, Western Division and Kadavu tours)
 - International engagements (Bilateral meetings)
- ii. Draft Message to Head of Governments, Magazines and Events
- iii. Preparation of Information Booklet and Coordination of international engagements program with the respective Ministry and Agencies.

SPECIAL PROJECTS

4. Support for the Mahogany Industry Council

- i. **Secretariat Support** - Policy Division facilitated the secretariat responsibilities for the Mahogany Industry Council including the convening of the 3rd Council meeting on 12th September 2016. At this meeting, the Council agreed to the restructure of the new Mahogany Licenses Framework that was facilitated together with the Board of Fiji Hardwood Corporation Ltd during the period January to July 2017.

In addition, there was the reconciliation of the Mahogany Industry Council Fund undertaken for the proceeds received from Mahogany License Holders during the period June 2011 to July 2017. As at 31st July 2017, \$13.7m was received from the license holders with \$12.4m utilized by the Council.

- ii. **Administration of Government Grant to Fiji Mahogany Trust.**

Policy Division also administered the Government Grant of \$250,000 that is annually allocated to the Fiji Mahogany Trust for its day-to-day operations. Other advisory services offered include clarifications on the Fiji Mahogany Trust Rules, Board of Trustee appointments and referrals to the Mahogany Industry Council.

5. Facilitation of Vatukoula Based Social Initiatives;

- i. Policy Division facilitated two ongoing Vatukoula based initiatives that dealt with former Gold Mine employees. Since 2010, the division has also been part of the Vatukoula Social Assistance Trust Fund Trustees. The initiative administered the disbursement of \$6 million to 605 beneficiaries mostly former Emperor Gold Mine Employees that were made redundant in December 2006 and were no longer reemployed. The assistance was targeted for alternative livelihood projects outside Vatukoula Mine Leased property.

The second initiative was the finalization of the Mediation strategy for the 1991 strike by the Fiji Mine Workers Union. The strategy was overseen by the Ministry of Employment, Productivity and Industrial Relations since May 2014. Policy Division was in discussions with the relevant Government agencies in seeking a closure to the initiative.

6. Government Grant Disbursement to FENC Fiji

i. Timely Disbursement of Government Grant (\$200,000) to FENC Fiji.

The Division facilitated the release of Government grant to FENC Fiji on a quarterly basis. As at June 2017, FENC Fiji had assisted a total of 1,242 students. The students were assisted with uniforms, footwear, stationaries and bags.

7. Walk In Customers

Policy Division also attended to walk in customers including those referred from the Prime Minister. Their cases ranged from assistance requests, land disputes, eviction notice, private disputes, entrepreneurial pursuits and investment propositions. The approach adopted was to liaise directly with respective line and technical agencies that are mandated to address those specific issues.

DEVELOPMENT COOPERATION AND FACILITATION DIVISION

1. Rural & Outer Islands - Community Development

- i. The Small Grant Scheme Annual Report highlights the budget utilization, project achievements, and project implementations.
- ii. The Small Grant Scheme addressed the needs of the rural communities in terms of village/settlement improvements, education and other integrated.
- iii. Projects assisted were focused on three (3) sectors namely Education, Village and Settlement Improvement and other Integrated. This is in line with the 2013 Fiji Constitution on the Bills of Right: right to education; right to clean water supply; access to basic infrastructure; right to housing; health services etc. Majority of projects assisted was on the Education sector followed by Village and Settlement Improvement then other Integrated.
- iv. Projects identified and initiated or committed by the Prime Minister. Projects committed by the Honorable Prime Minister require a more urgent response primarily due to the fact that the Prime Minister was able to see first-hand the challenges faced by the community.
- v. Of the \$9m allocated in the 2016/2017 Financial Year, actual expenditure as of 31st July 2017 was \$3,176,246.26 (35.3%). However, \$5,818,901.40 (65%) was committed during the financial year and fund was transferred to the OPM 2016/2017 Small Grant Scheme Trust Fund Account.
- vi. Tender Process, vetting of Contract, obtaining approval of waiver of tender and Cash Advance payment are key areas that needs to be improved in terms of timeline for timely implementation of projects and payments to the vendors.
- vii. Overall, projects documentation, filing system and database are well kept and maintained.

2. Small Grant Scheme Budget Utilization

The Office of the Prime Minister has received a budget of \$9m for the financial year 2016/2017, of which actual expenditure of \$3,176,246.26 (35%) was utilised. However, \$8,995,147.66 was committed during the financial year of which the committed funds of \$5,818,901.40 was transferred to 2016/2017 Trust Fund Account.

3 Project Implementation 2016/2017

Project Implementation Status

| Project | Number Approved | No. Completed | | No. In-Progress | |
|---------|-----------------|---------------|------|-----------------|------|
| | | Number | % | Number | % |
| | 173 | 120 | 69.3 | 53 | 30.6 |

- i. The above table represents the status of project approved in 2016/2017. Of the 173 projects approved, 120 (69.3%) projects were completed. Majority of this project is below \$50,000 such as extension and renovation of building, procurement and supplying of materials and equipment, and procurement of fiber glass and outboard motor.
- ii. Project in-progress are those that are above \$50,000 cost especially for new building construction, which requires stakeholder input and approval from initiation stage to completion stage. The process involved includes: tender process, vetting of agreement and management of project, which normally takes an average of 2 to 3 months to complete before implementation. These larger construction projects takes more than a year to complete.

4. Strategic Issues

- i. These are the strategic issues identified on management of data and during the management of projects from initiation to implementation stages:
 - Measure the physical implementation of projects in the rural and maritime locations
 - Delay of delivery and payment of goods to maritime island and area that is not accessible by roads; and
 - Maintaining and updating of timely project data to capture the project cycle.

5. Strategies

- i. Development Cooperation and Facilitation Division will review its Operation Procedures with a view to developing improvements on the following:
 - Conduct monthly and quarterly monitoring to measure physical progress of the project;
 - Storage room or an area to be allocated for storage of item being procured to allow the timely delivery and payment of goods to the supplier;
 - Developed a Database to be used by project officers for synchronization of data and producing of timely and reliable data for management and decision-making.

STRATEGY – FACILITATE DEVELOPMENT OF MAJOR PROJECTS

2016/2017 Chinese Donor Funded Project Logistics Report

Overview

This report outlines the various logistics support provided by the Office of the Prime Minister, through the Development Cooperation and Facilitation Division (DCFD), to facilitate the implementation of various on-going China-aided projects during the 2016/2017 financial year.

As part of its responsibility, DCFD continued to work with stakeholders including government line agencies, the Chinese Embassy and the Chinese Government appointed contractors to facilitate the implementation and timely completion of the following projects: -

- Agricultural Development (Rice) in Vanua Levu;
- Somosomo Mini Hydro, Taveuni;
- Stinson Parade & Vatuwaqa Bridge reconstruction, Suva;
- Juncao (Mushroom) Technology Demonstration Centre construction, Legalega Research Station, Nadi;
- Navua Hospital Technical Cooperation.

Logistic Support Provided

As part of the Unit's deliverables, DCFD provides logistic support that includes obtaining Immigration Exemption permits for Chinese contracted personnel engaged at the various project sites, facilitate customs clearance and landing formalities through the payment of the Value Added Tax (VAT) on consignments of goods imported into the country for the exclusive use on China-aided projects and other miscellaneous issues such as processing VAT refunds on the local purchase of goods and services directly associated with the project, obtaining duty concession from the Minister for Economy and facilitate waiver of port charges in the event of delay on the removal of goods from the wharf.

The timely facilitation of logistic support is crucial for the timely implementation of all China-aided projects and this is achieved through effective networking with our various external partners and agencies that are the final providers of the required services. A quick turnaround time is the bottom line for logistical support.

Administer Rotuma, Rabi & Kioa (Council of Leaders) – Subvention Funds

1. Rotuma Subvention Fund

The Government through the Office of the Prime Minister provided \$240,000.00 funding assistance to Rotuma under the 2016 & 2017 financial year. The fund is called "Rotuma Subvention Fund" and administered at the Office of the Prime Minister.

Rotuma Subvention fund assisted the Council of Rotuma in payment of its operational expenses and funding small development projects that benefitted the entire community of Rotuma. The Subvention Fund is distributed as follows: \$132,000.00 is for operational grant; and \$108,000.00 is for small development projects. A total of \$157,364.99 out of the budgetary allocation of \$240,000.00 was utilised as at 31 July 2017. This represent 66% utilisation rate of the total budgetary allocation.

2. Rabi Subvention Fund

Rabi was also provided funding assistance of \$155,000.00 under Rabi Subvention Fund. The fund was distributed as follows: \$38,000.00 was for operational grant and \$117,000.00 was for development projects

A total of \$153,960.36 out of the \$155,000.00 was utilised during the 2016 - 2017 financial year. This represents 99% of the total funding. There were seven development projects funded and out of these three were income-generating projects. The projects have benefitted approximately 3,500 people on the island. The Rabi Council of Leaders was also provided with monthly operational grant. A total of 12 payments were released and acquittals of these funds were submitted in a timely manner on a monthly basis.

Development projects

There were seven projects at a total cost of \$115,960.36 funded from the development allocation of \$117,000.00 during the financial year. Out of these, three were income-generating projects for the four villages.

3. Kioa Development Fund

Kioa Island was provided \$70,000.00 from the Government through the Office of the Prime Minister. This is a development fund to assist in improving the livelihood of the 900 members of Kioa community living in Kioa.

Kioa Island Council is responsible in identifying the development needs of the community. There is only one village in Kioa called Salia. There were three projects funded at the end of the financial year at a total cost of \$26,337.86. The Council was not able to utilise the allocation of \$70,000.00.

4. Melanesian/ Vasu i-Taukei Development Fund (MVT)

The MVT Development Fund is allocated by Government through the Office of the Prime Minister to assist in funding development projects for the minority communities such as the descendants of the Solomon Island, PNG, Vanuatu, Chinese, Part Europeans, Samoans, Kiribati and other minority communities who are citizens of Fiji.

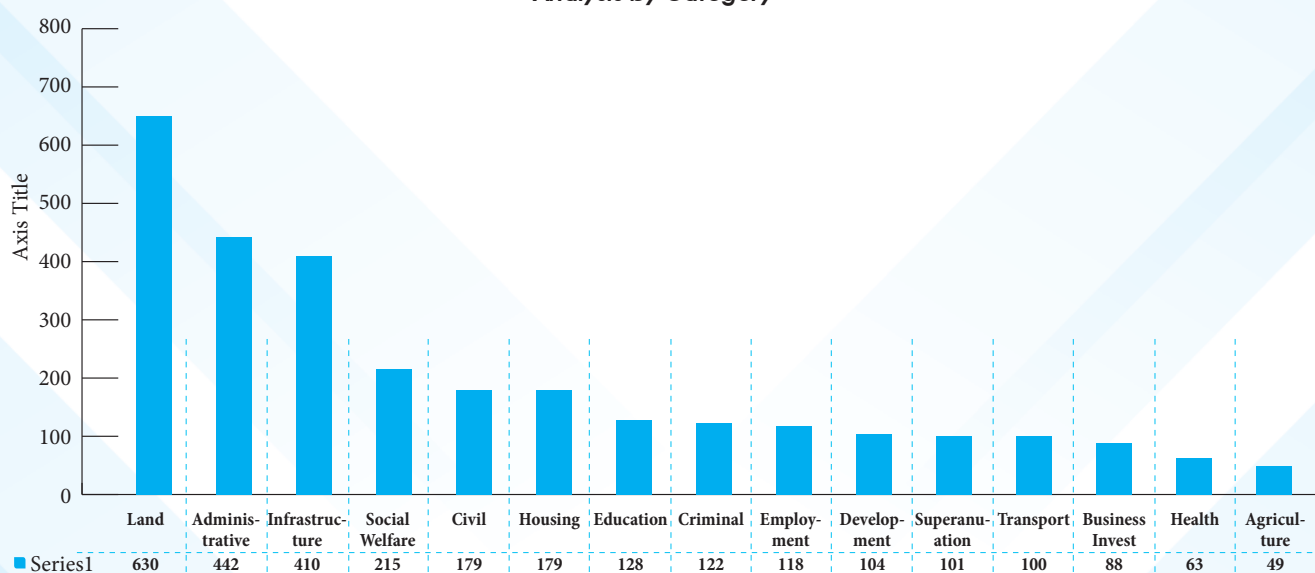
A total of \$100,000.00 was allocated under MVT Development Fund. Projects funded were community based, thus no funding were allocated for individual requests. There were seven projects at a total cost of \$84,809.00 funded from the MVT Development Fund at the end of the 2016 - 2017 financial year. These projects have been implemented and benefitted close to 50,000 people.

Clients Unit

Client Complaint investigation

For the financial year of 2016 - 2017, a total of 2993 clients were received and registered by the Clients Services Unit (CSU). From the total clients recorded, 14% were emails, 43% were mails, 35% were Walk Ins, 1.8% was telephone and 0.4% was OPM FB Page, while 5.8% were recorded during the provincial roadshow.

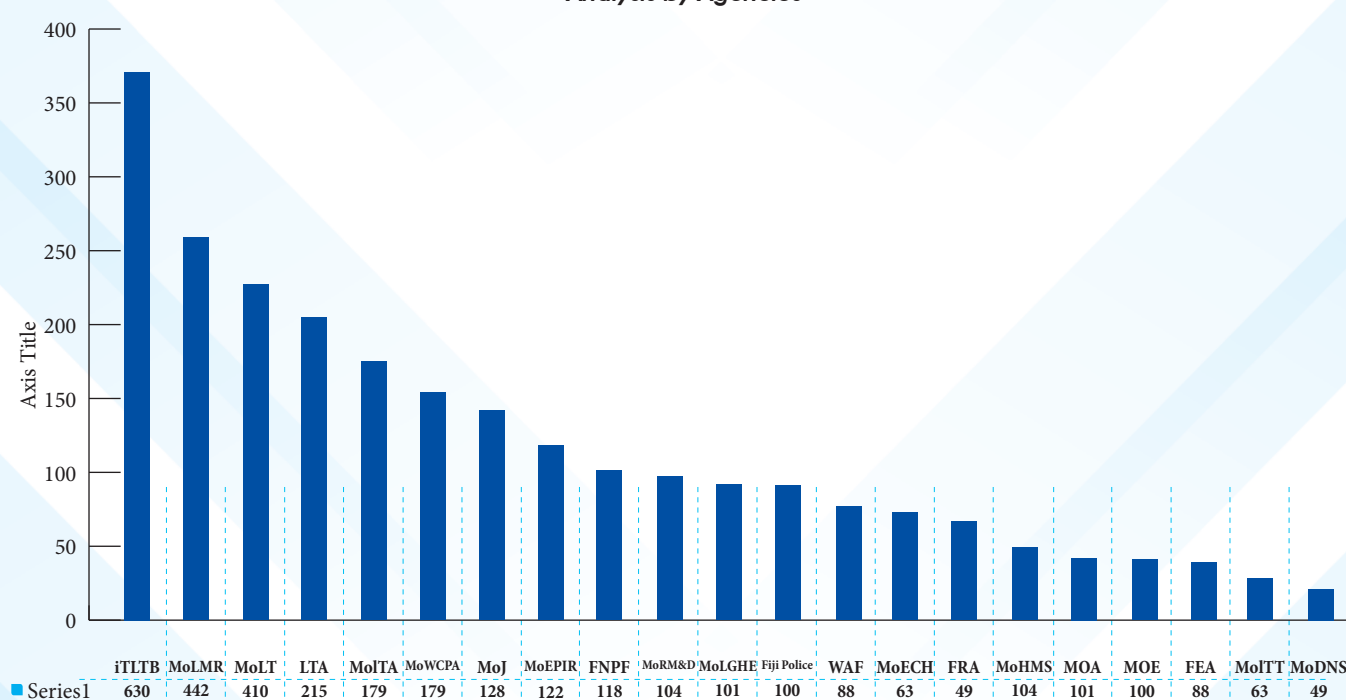
Analysis by Category



Graph: Analysis by Issue Type – Top 20

Upon categorizing the issues received into specific topics the analysis shows that most complaints or issues raised with OPM were land issues, housing, administrative concerns relating to policy and processes of various Ministries and Departments and civil issues primarily on working conditions or contracts. These were closely followed by welfare issues, development or infrastructure, business ventures and the challenges with new business set-up and complaints relating to education; transfers and appointments. In view of the type of issues received the complaints or requests for assistance were then referred to the related Ministry or Agency.

Analysis by Agencies



Graph: Analysis against Ministries & Agencies- Top 20

The analysis on the top 20 complaints against ministries and agencies show that most cases are against the land institution which clients request OPM's intervention. ITaukei Land Trust Board on land issues (land leases, lease payments and land ownership) and Ministry of Lands and Mineral Resources for land acquisition and processing. In an effort to improve the facilitation of all complaints, briefs for each of the top 5 ministries (complaints against) were prepared by OPM's Client Services Unit and presented to the Permanent Secretaries (PS) for briefing to the PS Forum for 2017.

Media Unit

The Media Unit was setup to look after the Media and the IT functions of the Ministry.

Media is responsible for the dissemination of information and promoting the Hon. Prime Minister’s engagements locally and abroad. It also facilitates the dissemination of information to inform and empower members of the ministry through daily media summaries.

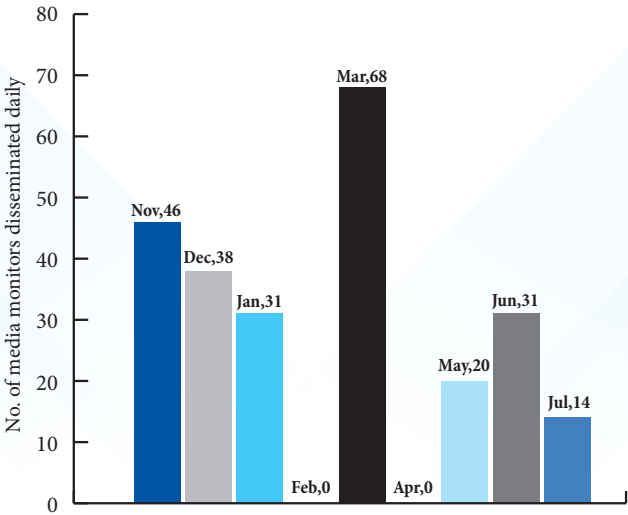
IT is responsible for providing IT support to all staff of the Office of the Prime Minister.

1. Media Monitors (MM)

The Media Team disseminates daily media summaries to HODs and staff of OPM on a daily basis, which is received from the Department of Information.

The graph below outlines the daily media summaries circulated from the months of November 2016 – July 2017.

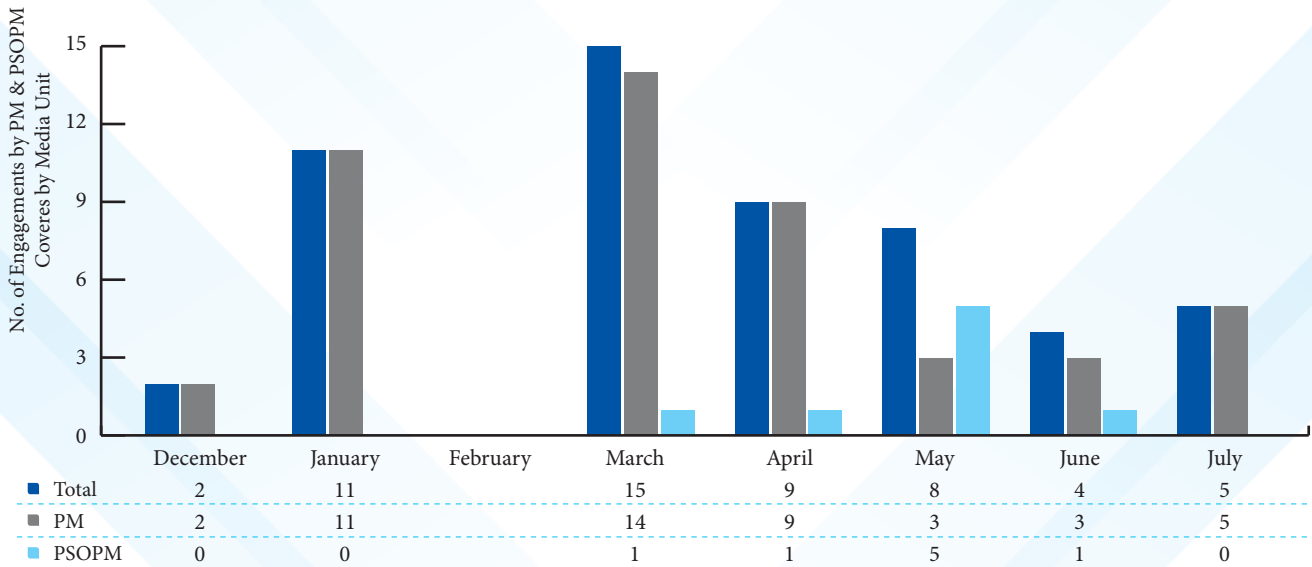
No. of media monitors disseminated daily from November, 2016 – July, 2017



2. Engagements by PM and PSOPM

There were fifty-four (54) engagements by the Hon. PM and PSOPM that the Media Team covered from the months of November 2016 – July 2017 whereby forty-seven (47) were for the Hon. PM and eight (8) for the Permanent Secretary (PSOPM).

No. of Engagements by PM & PSOPM Covered by Media Unit from Dec 2016 - July 2017

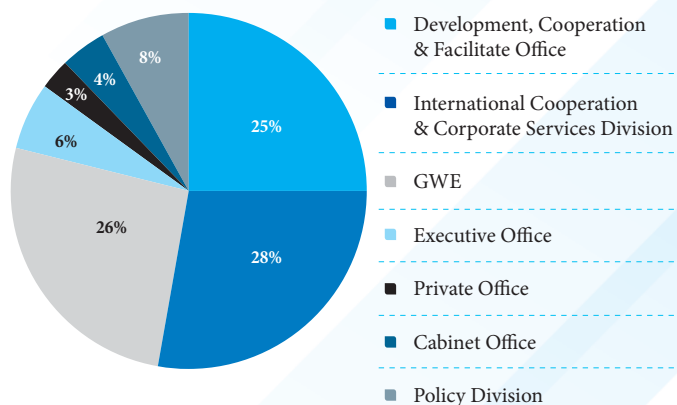


CORPORATE SERVICES DIVISION

1. Staffing

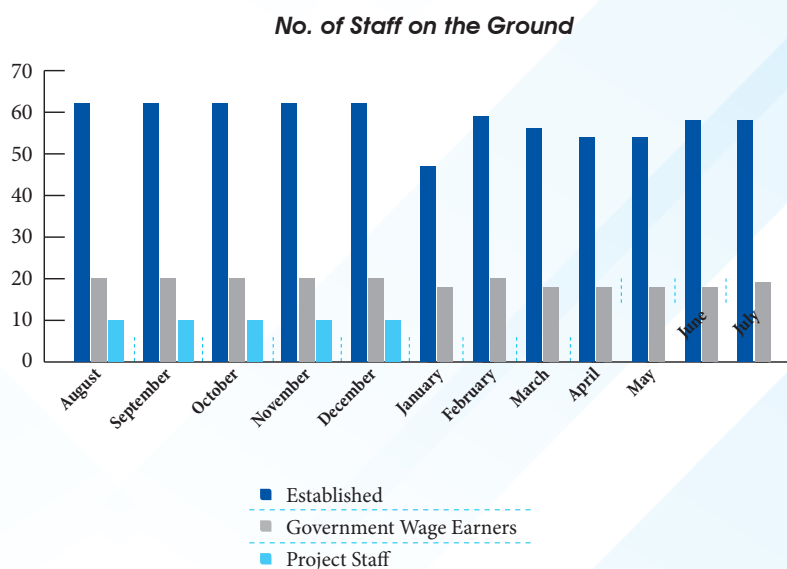
The total number of staff employed by the Office at the end of the financial year is as follows:

| Division / Unit | Number on the Ground | | Total Approved Establishment |
|---|----------------------|-----------|------------------------------|
| | Male | Female | |
| Executive Office | 2 | 4 | 6 |
| Private Office | 1 | 2 | 3 |
| Cabinet Office | 0 | 3 | 4 |
| Policy Division | 2 | 4 | 8 |
| Development, Cooperation & Facilitate Office (DCFO) | 8 | 8 | 25 |
| International Cooperation & Corporate Services Division | 9 | 15 | 29 |
| GWE | 17 | 2 | 26 |
| Total | 39 | 38 | 101 |
| | 77 (76%) | | |



The Office of the Prime Minister has an approved establishment of 101 from which 76% posts are substantively filled and 24% positions are currently vacant at the end of the 2016-2017 financial year.

| Months | Established | Government Wage Earners | Project Staff |
|-----------|-------------|-------------------------|---------------|
| August | 62 | 20 | 10 |
| September | 62 | 20 | 10 |
| October | 62 | 20 | 10 |
| November | 62 | 20 | 10 |
| December | 62 | 20 | 10 |
| January | 47 | 18 | 0 |
| February | 59 | 20 | 0 |
| March | 56 | 18 | 0 |
| April | 54 | 18 | 0 |
| May | 54 | 18 | 0 |
| June | 58 | 18 | 0 |
| July | 58 | 19 | 0 |



2. Recruitment & Selection 2016-2017

OPM sees its staff as the most valuable resource. The effectiveness of OPM depends on its staff. Good quality work requires good quality staff. OPM uses a fair and effective recruitment process under the OMRS system to employ the right person for each job vacancy.

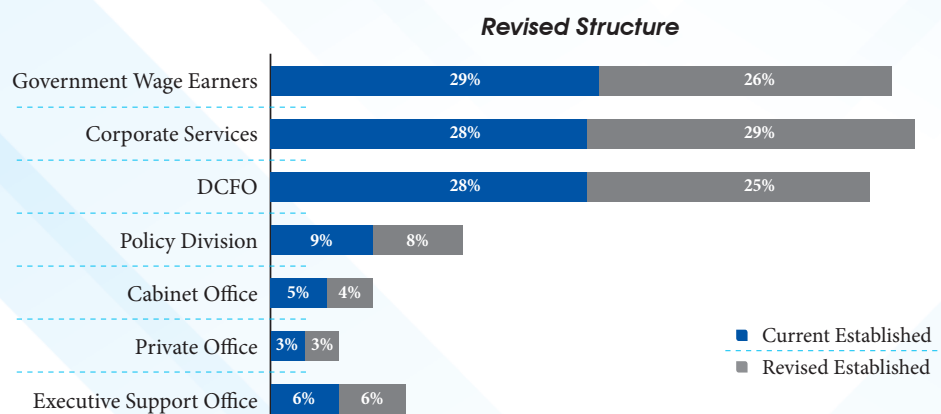
| No | Type of Appointment | TOTAL |
|----|---|-------|
| 1 | New Appointment -Contract of Service | 20 |
| 2 | New Acting Appointments | 8 |
| 3 | New Temporary Appointment | 1 |
| 4 | Extension of Acting Appointments | 13 |
| 5 | Extension of Temporary Relieving Appointments | 8 |
| 6 | Expiry of TempRel Appointment | 6 |
| 7 | Expiry of Acting Appt | 9 |
| 8 | Expiry of Contract | 2 |
| 9 | Expiry of Project Appointment | 10 |
| 10 | Termination of TempRel Appointment | 1 |
| 11 | Revocation of Acting Appointment | 6 |
| 12 | Revocation of Temp Rel Appointment | 1 |
| 13 | Re-grading of Position | 10 |
| 14 | Renewal of Contracts | 4 |
| 15 | Re-engagement | 2 |
| 16 | Temporary Internal Posting | 2 |

3. Review of OPM Structure

The review of the OPM structure is an initiative taken to improve efficiency and cost effectiveness in the Ministry in order to effectively facilitate the support needed by the Prime Minister. The key features of the revised structure were the Establishment of the International Cooperation Unit, Strengthening of the Executive Support Office, Strengthening of the Accounts Unit, Transfer of Function and Positions within the Office, Trade-Off of existing vacant posts to create new positions, Retitling and re-grading of positions and Review of Wage Rate.

| Established Posts | | |
|--------------------------|---------------|---------------|
| Division | Current Estab | Revised Estab |
| Executive Support Office | 6 | 6 |
| Private office | 3 | 3 |
| Cabinet Office | 5 | 4 |
| Policy Division | 9 | 8 |
| DCFO | 28 | 25 |
| Corporate Services | 28 | 29 |
| TOTAL | 79 | 75 |
| Government Wage Earners | | |
| Corporate Services | 29 | 26 |

In summary, the total Staff Establishment reduced from 108 to 101 positions. The Established Staff reduced from 79 to 75 and Government Wage Earners reduced from 29 to 26 positions. The detailed summary is tabulated below:



Also, as part of the internal restructure, ten (10) project positions, its existence have come to an end in December 2016 and the post holders who were on project appointments have been well informed of the changes.

4. Staff Turnover

Staff turnover is not a major concern for OPM as staff satisfied with their work environment, as the turnover result is self-explanatory. The resignations were mostly for career enhancement and growth.

| Staff Turnover | |
|----------------|---|
| Male | 2 |
| Female | 4 |
| Total | 6 |

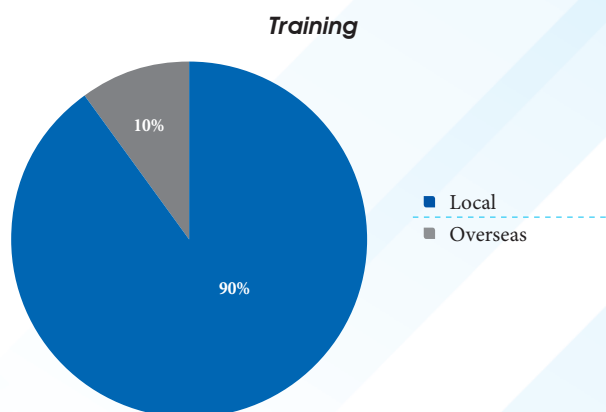
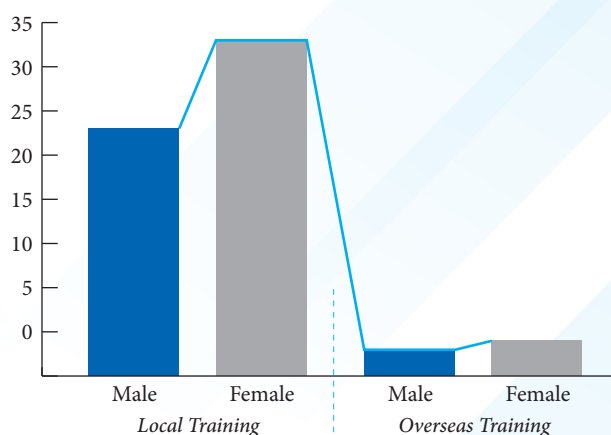
5. Training & Development

During the period, 73 training/courses were delivered locally and overseas. A total of 73 (72%) staff attended the training/courses/workshops. This demonstrates an ongoing commitment to providing a range of shorter-form learning and development opportunities focusing on specific capability development needs.

Apart from Local and Overseas Trainings, on-the-job training such as action learning groups and coaching were also provided to staff.

| Month | Local Training | | Overseas Training | |
|--------------|----------------|-----------|-------------------|----------|
| | Male | Female | Male | Female |
| August | 1 | 0 | 0 | 0 |
| September | 3 | 4 | 0 | 0 |
| October | 2 | 9 | 0 | 0 |
| November | 0 | 2 | 0 | 1 |
| December | 0 | 0 | 2 | 0 |
| January | 0 | 0 | 0 | 0 |
| February | 12 | 0 | 0 | 0 |
| March | 1 | 2 | 0 | 0 |
| April | 3 | 2 | 0 | 1 |
| May | 6 | 14 | 1 | 0 |
| June | 0 | 2 | 0 | 2 |
| July | 0 | 3 | 0 | 0 |
| Total | 28 | 38 | 3 | 4 |

The table shows that 31% males and 42% females were given some sort of training in the 2016-2017 financial year.



FINANCE MANAGEMENT

The Accounts Unit is responsible for the budget and financial reporting compliance; audit report; procurement compliance report and other financial services within the OPM and the Cabinet Office assignment.

The activities undertaken were categorized under the Outputs of the Unit in the ACP and as in the Business Plan. Some of our major achievements are:

- Currently preparing the Agency Financial Statement for 2016 – 2017;
- Timely submission of 2016 - 2017 Annual Procurement Plan;
- Submission of Reconciliations to Ministry of Economy;
- Submission of 2017 – 2018 Budget Request;
- Implementation of Audit Recommendation for the financial year end 31st July 2016;
- Providing Monthly / Quarterly Expenditure Report to HOD;
- Providing Monthly and Quarterly report to PS and Minister;
- Timely processing of payments, salaries, wages and pensions for the financial year 2016 – 2017;
- Timely processing of FNPF payment, Value Added Tax and Fringe Benefit Tax lodgment for the financial year 2016 – 2017;

- Adherence to the Financial Regulations and Policies such as OPM Finance Manual, Procurement Regulations.

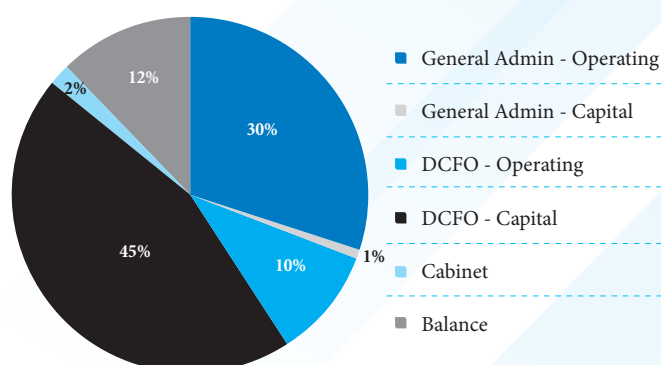
Innovation

Job rotation and diversification to develop knowledge and understanding of staff and also to strengthen internal controls. Draft reconciliation was prepared using GL670 while awaiting the Final Report from Financial Management Information System Unit from Ministry of Economy to ensure accuracy and timely submission of Financial Reconciliation to Ministry of Economy.

Budget 2016 – 2017 (\$17.6 million)

The Office has utilized 86% or \$15.11(m) from the total budget of \$17.6(m) for financial year 2016 – 2017.

Budget Utilization for Financial Year 2016-2017



ASSET MANAGEMENT AND PROCUREMENT UNIT

Asset Management Unit and Procurement Unit is responsible for procurement, maintenance, safeguarding and recording of all the Office Assets and inventories. The role of the unit is to ensure that all office assets and inventories are secured and free from any form of misappropriation or fraud.

The Unit processes are guided by the Office of the Prime Minister Finance Manual and Procurement Regulations. The activities undertaken were categorized under the Outputs of the Unit in the ACP and as in the Business Plan. Some of our major achievements are:

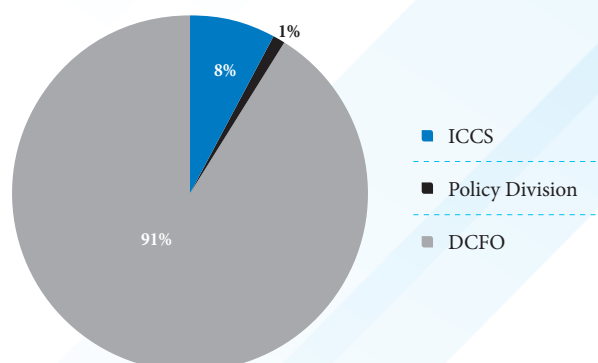
- Completion of Annual Board of Survey 2016 -2017;
- Conduct Special BOS 2016-2017
- Timely updating of inventory fixed asset registers
- Timely facilitation of procurement stationaries and other incidental items for OPM

- Ongoing monitoring of OPM inventories and fixed assets to avoid fraud and misappropriation

Innovation

Development of Standard Asset Form – all officers and their supervisors are required to sign the Standard Asset Form. Form has list of items currently allocated to each officers and by signing the forms the officers are held accountable for their asset. The form was design to assist the Asset Management Unit to have good monitoring of asset in OPM.

Written Off Items for BOS 2016-2017 According to Divisions





OFFICE OF THE PRIME MINISTER FINANCIAL STATEMENTS

for the year ended 31 July 2017

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 345

13 February 2018

The Honourable Josaia Voreqe Bainimarama
The Prime Minister
Government Buildings, New Wing
SUVA

Dear Honourable Bainimarama

OFFICE OF THE PRIME MINISTER
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

The audited financial statements for the Office of the Prime Minister for the year ended 31 July 2017 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Office for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc Mr. Yogesh Jitendra Karan, The Permanent Secretary, Office of the Prime Minister

Encl.

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Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

OFFICE OF THE PRIME MINISTER

I have audited the financial statements of the Office of the Prime Minister, which comprise the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, Statement of Receipts and Payments Chinese Grant, Statement of Receipts and Payments Taiwan Grant, Statement of Receipts and Payments Retention Fund and Statement of Receipts and Payments Mahogany Industry Council Fund for the financial year ended 31 July 2017, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Office of the Prime Minister in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibilities for the Financial Statements

The management of the Office of the Prime Minister are responsible for the preparation of the financial statements in accordance with the Financial Management Act, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Prime Minister's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Office of the Prime Minister.

I communicate with the Office of the Prime Minister regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
13 February 2018

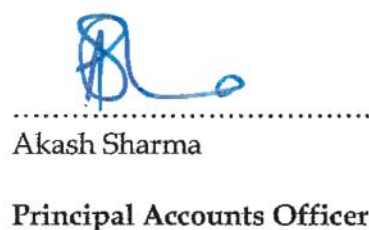
We certify that the financial statements:

- (a) fairly reflect the financial performance of the Office of the Prime Minister for the year ended 31 July 2017; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.



.....
Yogesh Jitendra Karan
Permanent Secretary

Date: 12/02/18.



.....
Akash Sharma
Principal Accounts Officer

Date: 12/02/18

| | Notes | 12 months 2017 (\$) | 7 months 2016 (\$) |
|------------------------------------|-------|---------------------------|--------------------------|
| RECEIPTS | | | |
| State Revenue | | 145,991 | 47,664 |
| TOTAL REVENUE | | 145,991 | 47,664 |
| EXPENDITURE | | | |
| Operating Expenditure | | | |
| Established Staff | | 2,252,683 | 1,464,308 |
| Government Wage Earners | | 483,752 | 275,447 |
| Travel & Communication | | 1,416,646 | 813,869 |
| Maintenance & Operations | | 634,255 | 478,457 |
| Purchase of Goods & Services | | 150,666 | 146,342 |
| Operating Grants & Transfers | | 659,573 | 512,690 |
| Special Expenditure | | 190,041 | 146,605 |
| Total Operating Expenditure | | 5,787,616 | 3,837,718 |
| Capital Expenditure | | | |
| Capital Construction | 3 (a) | 17,871 | — |
| Capital Grants & Transfers | | 3,163,482 | 2,036,944 |
| Total Capital Expenditure | | 3,181,353 | 2,036,944 |
| Value Added Tax | | 109,622 | 90,081 |
| TOTAL EXPENDITURE | | 9,078,591 | 5,964,743 |

OFFICE OF THE PRIME MINISTER
APPROPRIATION STATEMENT
For the year ended 31 July 2017

| SEG | Item | Budget Estimate | Appropriation Changes Note 5 (i) | Revised Estimate | Actual Expenditure | Carry- Over Note 5 (ii) | Lapsed Appropriation |
|-----|------------------------------------|--------------------|--|---------------------|-----------------------|-------------------------------|-------------------------|
| | | (\$) | (\$) | a (\$) | b (\$) | c (\$) | (a-b-c) (\$) |
| | Operating Expenditure | | | | | | |
| 1 | Established Staff | 2,936,529 | — | 2,936,529 | 2,252,683 | — | 683,846 |
| 2 | Government Wage Earners | 537,277 | — | 537,277 | 483,752 | — | 53,525 |
| 3 | Travel & Communication | 2,300,720 | (20,000) | 2,280,720 | 1,416,646 | — | 864,074 |
| 4 | Maintenance & Operations | 878,700 | (4,500) | 874,200 | 634,255 | — | 239,945 |
| 5 | Purchase of Goods & Services | 329,900 | (26,881) | 303,019 | 150,666 | — | 152,353 |
| 6 | Operating Grants & Transfers | 815,000 | — | 815,000 | 659,573 | — | 155,427 |
| 7 | Special Expenditure | 258,100 | 27,731 | 285,831 | 190,041 | — | 95,790 |
| | Total Operating Expenditure | 8,056,226 | (23,650) | 8,032,576 | 5,787,616 | — | 2,244,960 |
| | Capital Expenditure | | | | | | |
| 8 | Capital Construction | — | 23,650 | 23,650 | 17,871 | — | 5,779 |
| 10 | Capital Grants & Transfers | 9,200,000 | — | 9,200,000 | 3,163,482 | 5,818,901 | 217,617 |
| | Total Capital Expenditure | 9,200,000 | 23,650 | 9,223,650 | 3,181,353 | 5,818,901 | 223,396 |
| 13 | Value Added Tax | 339,100 | — | 339,100 | 109,622 | — | 229,478 |
| | TOTAL EXPENDITURE | 17,595,326 | — | 17,595,326 | 9,078,591 | 5,818,901 | 2,697,834 |

Loss of Money

There was no loss of Money recorded for the year ended 31 July 2017.

Loss of Revenue

For the financial year ended 31 July 2017, there was no loss of revenue recorded.

Loss of Assets

There was no loss of fixed asset recorded for the year ended 31 July 2017. However, the following items worth \$163,599 were written off, following the Board of Survey for the financial year ended 31 July 2017.

| Section | Amount (\$) |
|------------------------|----------------|
| Motor vehicles | 145,600 |
| Office Equipment | 13,234 |
| Furniture and Fittings | 3,665 |
| Others | 1,100 |
| Total | 163,599 |

OFFICE OF THE PRIME MINISTER
CHINESE GRANT TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 July 2017

| | Notes | 12 months 2017 (\$) | 7 months 2016 (\$) |
|---|-------|---------------------------|--------------------------|
| RECEIPTS | | | |
| Interest | | 496 | 178 |
| Assistance & Refunds | 3 (b) | 211,434 | 8,948 |
| Total Receipts | | 211,930 | 9,126 |
| PAYMENTS | | | |
| Withholding Tax | | 50 | 18 |
| Statement Fee | | 3 | --- |
| Withdrawal Transfer - Bank Fees | | --- | 40 |
| Total Payments | | 53 | 58 |
| Net Surplus | | 211,877 | 9,068 |
| Opening balance as at 1 August 2016 | | 360,929 | 351,861 |
| Closing Balance as at 31 July 2017 | 4 (a) | 572,806 | 360,929 |

OFFICE OF THE PRIME MINISTER
 TAIWAN GRANT TRUST FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS
 For the year ended 31 July 2017

| | Notes | 12 months 2017 (\$) | 7 months 2016 (\$) |
|---|-------|---------------------------|--------------------------|
| RECEIPTS | | | |
| Interest Received | | 50 | 21 |
| Other Receipts | | — | 41,849 |
| Total Receipts | | <u>50</u> | <u>41,870</u> |
| PAYMENTS | | | |
| Withholding Tax | | 5 | — |
| Withdrawal Transfer – Bank Fees | | — | 43 |
| Total Payments | | <u>5</u> | <u>43</u> |
| Net Surplus | | 45 | 41,827 |
| Opening Balance as at 1 August 2016 | | 50,080 | 8,253 |
| Closing Balance as at 31 July 2017 | 4 (b) | <u>50,125</u> | <u>50,080</u> |

OFFICE OF THE PRIME MINISTER
RETENTION FUND ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 July 2017

| | Notes | 12 months 2017 (\$) | 7 months 2016 (\$) |
|---|-------|---------------------------|--------------------------|
| RECEIPTS | | | |
| Interest | | 968 | 474 |
| Retention for Vatulele District School | | 17,061 | --- |
| Retention for Matanuca Primary School | | 12,189 | --- |
| Retention for Vunisaiki Primary School | | 60,962 | --- |
| Total Receipts | | 91,180 | 474 |
| PAYMENTS | | | |
| Bank fee | | 97 | 40 |
| Resident Withholding Tax | | 4,807 | 47 |
| Total Payments | | 4,904 | 87 |
| Net Surplus | | 86,276 | 387 |
| Opening Balance as at 1 August 2016 | | 953,810 | 953,423 |
| Closing Balance as at 31 July 2017 | 4 (c) | 1,040,086 | 953,810 |

OFFICE OF THE PRIME MINISTER
 MAHOGANY INDUSTRY COUNCIL FUND - STATEMENT OF RECEIPTS AND PAYMENTS
 For the year ended 31 July 2017

| | Notes | 12 months 2017 (\$) | 7 months 2016 (\$) |
|-------------------------------------|-------|---------------------------|--------------------------|
| RECEIPTS | | | |
| Interest | | 17,095 | 8,478 |
| Transfer from Ministry of Finance | | — | 44,164 |
| License Fees | 3(c) | 178,317 | 1,110,987 |
| Reversal Withholding Tax | | — | 76 |
| Total Receipts | | 195,412 | 1,163,705 |
| PAYMENTS | | | |
| Bank chargers | | 43 | 76 |
| Withholding Tax | | 1,710 | 923 |
| Refund of License Fee | 3 (c) | 532,795 | — |
| Total Payments | | 534,548 | 999 |
| Net (Deficit) / Surplus | | (339,136) | 1,162,706 |
| Opening Balance as at 1 August 2016 | | 2,068,910 | 906,204 |
| Closing Balance as at 31 July 2017 | 4 (d) | 1,729,774 | 2,068,910 |

NOTE 1: REPORTING ENTITY

Office of the Prime Minister

The role of the Office of the Prime Minister (OPM) is to provide sound coherent policy advice to the Hon. Prime Minister and the Cabinet under Section 91 and Section 92 of the Constitution of the Republic of Fiji. The Office of the Prime Minister has vigilant oversight of national policies and high visibility engagement across the civil service in pursuit of the government's objectives.

The Office of the Prime Minister under the Ministerial Assignment of the Prime Minister, co-ordinate, facilitate, monitor and evaluate government programs implementation, and promote the dissemination of government intentions and objectives within the Office of the Prime Minister viz, the Cabinet Office (CO), Private Office (PO), Policy Division (PD), Development Cooperation Facilitation Office (DCFO) (includes the Rotuma Affairs, Rabi & Kioa) and Corporate Services Division (CSD).

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting/Presentation

In accordance with government accounting policies, the financial statements of the Office of the Prime Minister are prepared under the cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act, the requirements of Section 71 (1) of the Finance Instruction 2010 and Finance (Amendment) Instructions 2016. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trading and Manufacturing Accounts.

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Office on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and the sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue & Customs Service (FRCS). Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES *(Continued...)*

(c) Comparative Figures

The Office changed its reporting period from 1 August to 31 July as per the Ministry of Economy circular number 04/16 due to a change in the whole of government reporting period.

Hence, the 2016 financial reporting period is for 7 months effective from 1 January 2016 to 31 July 2016. In comparison, the 2017 financial reporting period is for 12 months effective from 1 August 2016 to 31 July 2017. This was provided for in the Financial Management (Amendment) Act 2016.

(d) Revenue Recognition

Revenue is recognised when the actual cash is received by the Office.

NOTE 3: SIGNIFICANT VARIATIONS

- (a) The Capital Construction expenditure for the financial year ending 31 July 2017 was \$17,872. This fund was not budgeted so it was sourced internally through a virement to meet expenditure for the construction of a “wash bay” at Corporate Office.
- (b) The increase in Chinese grant trusts receipt is mainly attributed to the assistance received from the Chinese government embassy during the financial year.
- (c) The Mahogany Industry Council trust receipts decreased in 2016/2017 financial year due to the low demand of logs from approved license holders hence, the decrease in license fees when compared to 2016 and payments increased due to the partial refund of license fees for undelivered portion of licensed log volume to a license holder that had ceased operations in June 2016.

NOTE 4: MAIN TRUST FUND ACCOUNTS

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Office of the Prime Minister operates and maintains 4 main trust fund bank accounts which includes the following;

NOTE 4: MAIN TRUST FUND ACCOUNTS (*Continued...*)

(a) Chinese Grant Trust Fund Account

The trust fund account is used to record and maintain grants that are provided by the Chinese Government to the Fiji Government through bilateral agreements in the form of letter of exchange. The funds are generally used to cater for those projects that are committed by the Honourable Prime Minister through request from the communities and evaluated based on its need and priority. These are mainly projects that assist communities in the areas of education, integrated village/settlement developments, youth developments, women's and minority group settlement developments and are not provided for in the national budget estimates. The approving authority for the funding of assistance under this trust fund is the Honourable Prime Minister.

(b) Taiwan Grant Trust Fund Account

The trust fund account is used to record and maintain grants that are provided by the Taiwanese Government to the Fiji Government through bilateral agreements. The funds are generally used to cater for those projects that are committed by the Honourable Prime Minister through request from the communities and evaluated based on its need and priority. These are mainly projects that assist communities in the areas of education, integrated village/settlement developments, youth developments, women's and minority group settlement developments and are not provided for in the national budget estimates. The approving authority for the funding of assistance under this trust fund is the Honourable Prime Minister.

(c) Retention Fund Account

This trust fund account is used to maintain retention funds for various projects as per the conditions on the agreement. The funds will be paid out to contractors when certificate of completion is submitted and all conditions of the contract are met.

(d) Mahogany Industry Council Trust Fund Account

The Mahogany Industry Council Trust Fund ('Fund') was established in July 2015 for the sole purpose of administering all license fees paid by Mahogany Industry license holders. The license fees concept was introduced in June 2011 following the Mahogany Industry Development Decrees of 2010 and 2011. The administration of the proceeds was handled by the Ministry of Economy and was only transferred to the Office of the Prime Minister, as Secretariat of the Mahogany Industry Council ('Council'), in August 2015.

NOTE 5: APPROPRIATION MOVEMENTS

(i) Appropriation Changes

There were no redeployments of the Office's funds during the year ended 31 July 2017. Other movements were made through virement as follows:

| Virement No | From | To | Amount (\$) |
|----------------|-------|-------|-------------|
| 01 / 2016-2017 | Seg 5 | Seg 7 | 27,730.96 |
| | Seg 7 | | 23,998 |
| 02 / 2016-2017 | Seg 4 | Seg 4 | 30,000 |
| 03 / 2016-2017 | Seg 5 | Seg 4 | 30,000 |
| 04 / 2016-2017 | Seg 4 | Seg 5 | 10,000 |
| 05 / 2016-2017 | Seg 2 | Seg 2 | 40,000 |
| 06 / 2016-2017 | Seg 2 | Seg 2 | 7,500 |
| 07 / 2016-2017 | Seg 2 | Seg 2 | 5,000 |
| 08 / 2016-2017 | Seg 4 | Seg 2 | 18,338.67 |
| 09 / 2016-2017 | Seg 5 | Seg 8 | 23,650 |
| 10 / 2016-2017 | Seg 4 | Seg 4 | 21,422.20 |
| 11 / 2016-2017 | Seg 3 | Seg 5 | 20,000 |
| 12 / 2016-2017 | Seg 4 | Seg 5 | 24,500 |

(ii) Carry-Over of Appropriation

The carry-over of \$5,818,901 in Capital Grants & Transfers (Small Grants Project) was approved in accordance with Section 19 of the Financial Management Act 2004.

