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Referral Letter from Permanent Secretary

14 May 2021

Honourable Aiyaz Sayed-Khaiyum
Attorney General, Minister for Economy, Civil Service and Communications
Suvavou House
Suva

Dear Sir,

In accordance with the Financial Management Act 2004 requirements, I hereby submit for your information and presentation to Parliament, the Annual Report for the Ministry of Civil Service for year 2016 (January-July).

Yours sincerely,



Susan Kiran
Permanent Secretary for Civil Service

1. Permanent Secretary's Statement

The Public Service Commission Ministry was abolished effective from 31 December 2015, and a new Ministry of Civil Service (MCS) was established from 1 January 2016. The new Ministry was to be leaner, with functions specifically designed to support other Ministries to carry out their Constitutional responsibilities while maintaining central coordination of key areas to ensure consistency across the Civil Service.

Some continuing functions from the former Public Service Commission Ministry were transferred to different Ministries, along with the relevant staff, for instance, the Fiji Volunteer Service moved to the Ministry of Employment, Industrial Relations and Productivity (MEPIR) and the Office Accommodation and Government Housing Division moved to the Division of Asset Management Unit of the Ministry of Finance.

MCS commenced operations with the assistance of transitional staff from the former Public Service Commission Ministry, and newly recruited staff through open merit selection.

It was still early days, but MCS had embarked on the groundwork to build an effective organisation to support the Government in improving the lives of all Fijians through a more capable, modern, innovative and service-oriented civil service.

I am pleased to present the Ministry of Civil Service 2016 Annual Report.



Susan Kiran
Permanent Secretary for Civil Service

2. Corporate Profile

2.1 Vision, Mission and Values



2.2 Roles and Responsibilities

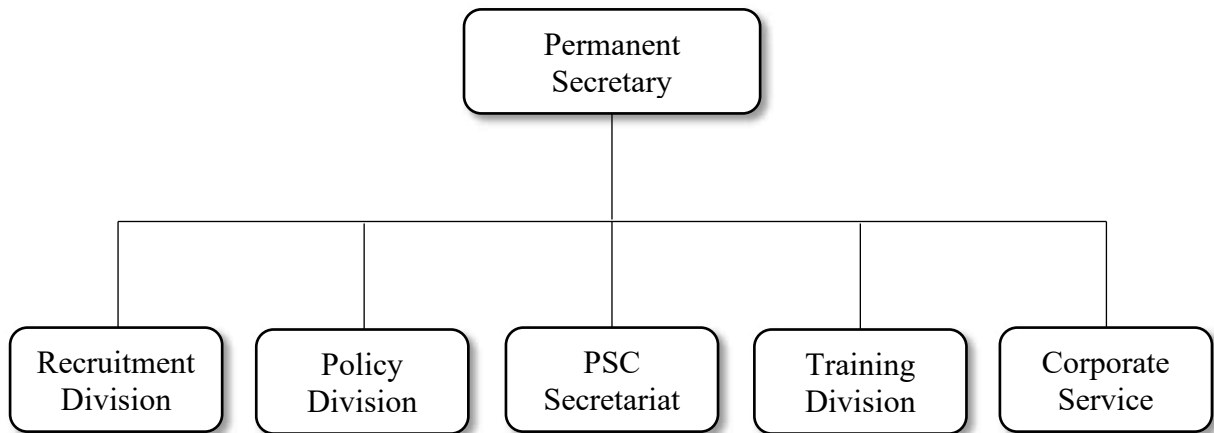
The role of MCS was to support the Fijian Government's civil service reforms through capacity building and improving the overall capability of the civil service, policy advice to Ministries relating to the responsibilities of Permanent Secretaries' (PSs) under section 127 of the Constitution and secretariat and administrative support relating to the powers of the Public Service Commission (PSC) under section 126 of the Constitution.

MCS had four divisions: the *Policy Division* which was responsible for assessment of human resource policies to ensure consistency and fairness across the civil service, the *Training Division* which was responsible for coordinating international training programmes focussed on the up-skilling and capacity building of civil servants, the *Recruitment Division* which was responsible for recruitment, selection, contracting, postings and appeals and the *PSC Secretariat* which was responsible for providing support and administrative services to the PSC and PSs.

The MEPIR was responsible for providing human resource, finance, and Information and Communication Technology (ICT) services through a Shared Services Arrangement (SSA). Transitional staff from the former Public Service Commission Ministry assisted with corporate services.

2.3 Organisation Chart

2016 Organisational Structure



3. Achievements

3.1 Recruitment Division

The Recruitment Division was created in June 2016 in preparation for the administration of the terms and conditions of employment and the salary allocation for doctors from 1 August 2016.

The division was headed by the Director Corporate Services of the Ministry of Rural and Maritime Development and National Disaster Management, who was seconded to MCS in June 2016.

The division initiated the development of the MCS internal Recruitment and Selection Policy and coordinated all recruitment and selection processes including managing contracts, acting appointments, postings, transfers and staff establishment.

The division conducted consultations with the Ministry of Health and Medical Services (MHMS) in anticipation of the movement of doctors to MCS in the 2016-2017 financial year and participated in the planning process to ensure a systematic and seamless handover of responsibilities.

3.2 Policy Division

The Policy Division was established with the appointment of the Director on 25 July 2016. The division provided policy advice to Ministries, ensuring alignment and consistency with the overarching legislation, regulations, policies and PSC guidelines.

The legislation and policies that guided the advice to Ministries included: the Fijian Constitution; the Civil Service Act 1999, General Orders 2011 (GO), Terms and Conditions of Employment for Government Wage Earners 2010 (TCEGWE), the Employment Relations Act 2007 and the Open Merit Recruitment and Selection Guideline.

3.3 PSC Secretariat

The PSC Secretariat supported the PSC's Constitutional functions and facilitated approvals for PSs overseas travel together with the oversight or acting roles. Leave applications and other administrative matters relating to PSs entitlements were processed as and when received. The Secretariat provided logistical support for three meetings of the Commission and one meeting of the PSs.

The Secretariat commenced preparatory work to develop a PSC website to allow both the civil servants and the public to access information about the roles and responsibilities of the Commission and the PSC guidelines.

3.4 Training Division

In the initial stage, the Training Division was assisted by the transitional staff from the former Public Service Commission Ministry. The division was mainly involved in coordinating overseas training nominations for whole of Government.

3.5 Corporate Services

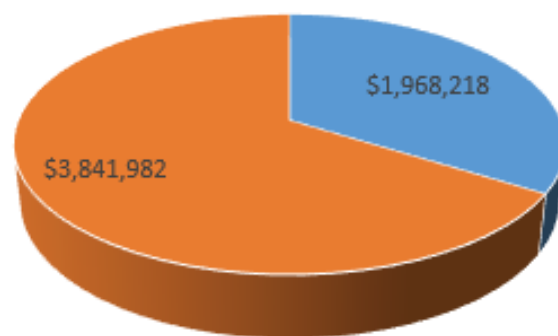
The corporate services responsibilities were carried out by the former Public Service Commission Ministry transitional staff until May 2016. Following the appointment of the Permanent Secretary for the Ministry in May, a SSA was negotiated and signed with the MEPIR.

4. Ministry Appropriation

MCS was allocated a budget \$5.8 million, out of which \$1.97 million or 33.9% was utilised by 31 July of 2016. This is mainly due to the change in the financial reporting period from 1 January to 31 July 2016 which was only 7 months, while the budget was for the whole year.

MCS Appropriation and Actual Expenditure

Total Ministry Budget
\$5,810,200



■ Actual Expenditure ■ Lapsed Appropriation

5. Audited Financial Statements

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File 341

31 May 2017

Hon. Aiyaz Sayed-Khaiyum
The Attorney-General and Minister for Economy, Public Enterprises, Civil Service & Communications
Suvavou House
SUVA

Dear Hon. Sayed-Khaiyum

**AUDITED AGENCY FINANCIAL STATEMENTS OF THE MINISTRY OF CIVIL SERVICE
FOR THE SEVEN MONTH PERIOD ENDED 31 JULY 2016**

The audited financial statements for the Ministry of Civil Service for the seven month period ended 31 July 2016 together with my audit report on them are enclosed.

Particulars of errors and omissions arising from the audit have been forwarded to the management of the Ministry for its action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc. Mrs. Bernadette Welch, Permanent Secretary.

Encl.

MINISTRY OF CIVIL SERVICE

AGENCY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2016

MINISTRY OF CIVIL SERVICE

**AGENCY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016**

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INDEPENDENT AUDITOR'S REPORT

Audit Opinion

I have audited the agency financial statements of the Ministry of Civil Service, which comprise the Statement of Receipts and Expenditure, Appropriation Statement and Statement of Losses for the 7 months period ended 31 July 2016, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying agency financial statements for the period ended 31 July 2016 present fairly in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.

Basis for Qualified Opinion

1. The Ministry of Civil Service under Budget Head 17 recorded Miscellaneous Revenue of \$1,002,443 for the period ended 31 July 2016. I was not able to verify the amounts as the Ministry was not able to provide appropriate audit evidence to support the balances. As a result, I was not able to ascertain the accuracy and completeness of the Miscellaneous Revenue as at 31 July 2016.

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 Ministry of Civil Service 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 Ministry of Civil Service are responsible for the preparation of the agency financial statements in accordance with the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010, 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 Ministry of Civil Service internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry of Civil Service.

I communicate with the Ministry of Civil Service 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
31 May 2017

MINISTRY OF CIVIL SERVICE

**MANAGEMENT CERTIFICATE
FOR THE PERIOD ENDED 31 JULY 2016**

We certify that these agency financial statements:

- (a) fairly reflect the financial performance of the Ministry of Civil Service for the period ended 31 July 2016; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Financial Management (Amendment) Act 2016 and the Finance Instructions 2010.



Bernadette Welch
Permanent Secretary

Date: 30/5/17


Viliame Nauludugua
Senior Accounts Officer

Date: 30/5/17

MINISTRY OF CIVIL SERVICE

HEAD 17 STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE PERIOD ENDED 31 JULY 2016

	Notes	2016 (\$)
RECEIPTS		
Agency Revenue		
Miscellaneous		1,002,443
Total Revenue		<u>1,002,443</u>
EXPENDITURE		
Operating Expenditure		
Established Staff		1,221,347
Government Wage Earners		57,617
Travel & Communications		86,150
Maintenance & Operations		80,692
Purchase of Goods & Services		13,049
Operating Grants & Transfers		475,863
Total Operating Expenditure		<u>1,934,718</u>
Capital Expenditure		
Capital Construction		-
Capital Purchase		-
Capital Grants & Transfers		-
Total Capital Expenditure		<u>-</u>
Value Added Tax		33,500
TOTAL EXPENDITURE		<u>1,968,218</u>

MINISTRY OF CIVIL SERVICE

HEAD 17 APPROPRIATION STATEMENT
FOR THE PERIOD ENDED 31 JULY 2016

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry Over (\$)	Lapsed Appropriation (\$)
				a	b		(a-b)
	Operating Expenditure						
1	Established Staff	3,506,460	---	3,506,460	1,221,347	---	2,285,113
2	Government Wage Earners	226,189	---	226,189	57,617	---	168,572
3	Travel & Communication	161,250	---	161,250	86,150	---	75,100
4	Maintenance & Operations	221,300	---	221,300	80,692	---	140,608
5	Purchase of Goods & Services	420,755	---	420,755	13,049	---	407,706
6	Operating Grants & Transfers	1,201,900	---	1,201,900	475,863	---	726,037
	Total Operating Expenditure	5,737,854	---	5,737,854	1,934,718	---	3,803,136
	Capital Expenditure						
8	Capital Construction	---	---	---	---	---	---
9	Capital Purchases	---	---	---	---	---	---
10	Capital Grants & Transfers	---	---	---	---	---	---
	Total Capital Expenditure	---	---	---	---	---	---
13	Value Added Tax	72,346	---	72,346	33,500	---	38,846
	TOTAL EXPENDITURE	5,810,200	---	5,810,200	1,968,218	---	3,841,982

MINISTRY OF CIVIL SERVICE

**HEAD 17 STATEMENT OF LOSSES
FOR THE PERIOD ENDED 31 JULY 2016**

Loss of Money

The Ministry of Civil Service did not record loss of money for the period ended 31 July 2016.

Loss (other than money)

The furniture and equipment currently used by the Ministry of Civil Service are from the former Public Service Commission. However, no proper hand over of these fixed assets was done following the transition from the former Public Service Commission to the newly established Ministry of Civil Service.

Following the Board of Survey for the period ended 31 July 2016 of the fixed assets present at the Ministry, the items worth \$7,470 was approved to be written off by the Ministry of Economy.

Section	Amount \$
Head Quarters	7,470
Total	7,470

MINISTRY OF CIVIL SERVICE

NOTES TO AND FORMING PART OF THE AGENCY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2016

NOTE 1: REPORTING ENTITY

The Ministry of Civil Service was established on 1 January 2016 under the civil service reforms to replace the former Public Service Commission. The role of the Ministry of Civil Service is to broadly support the devolution of Constitutional responsibilities to Ministries while maintaining some central coordination and consistency across the Civil Service. Its focus is to attain a modern and high performing civil service that is responsive to the priorities of the Fijian Government.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with Government accounting policies, the financial statements of the Ministry of Civil Service is prepared on 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 2004, Financial Management (Amendment) Act 2016 and the requirements of Section 71 (1) of the Finance Instruction 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry 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 Authority (FRCA). Actual amount paid to FRCA during the year represent the difference between VAT Output and VAT Input.

(c) Comparative Figures

The Ministry of Civil Service was established in 2016 under the civil service reforms to replace the former Public Service Commission. The Ministry's mandate is substantively different from the former PSC and its budgetary funding was not assessed in line with the former PSC as the programmes and outputs are not the same. Thus the Ministry of Civil Service is considered as a new entity.

The 2016 financial reporting period is for 7 months effective from 1 January 2016 to 31 July 2016. This was due to change in financial reporting period from 1 August to 31 July in accordance with the Ministry of Economy circular directive number 04/16. This was provided for in the Financial Management (Amendment) Act 2016.

MINISTRY OF CIVIL SERVICE

NOTES TO AND FORMING PART OF THE AGENCY FINANCIAL STATEMENTS (continued...)
FOR THE PERIOD ENDED 31 JULY 2016

d) Revenue Recognition

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

NOTE 3: APPROPRIATION MOVEMENTS

There were no redeployments of the Ministry's funds during the financial period ended 31 July 2016. Other movements were made through virement as follows:

Virement No.	From	To	Amount \$
DV1701	SEG 1	SEG 1	741,642
	SEG 2	SEG 2	11,369

6. Acronyms

GO	General Orders 2011
ICT	Information and Communication Technology
MCS	Ministry of Civil Service
MEPIR	Ministry of Employment, Productivity and Industrial Relations
MHMS	Ministry of Health and Medical Services
PSC	Public Service Commission
PS	Permanent Secretary
SSA	Shared Services Agreement
TCEGWE	Terms and Conditions of Employment for Government Wage Earners

