

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

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18 November 2016

From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

Guidelines for the Preparation of Annual Report on Performance

The purpose of this Circular is to provide Ministries/Departments with guidelines for the preparation of their Annual Report on Performance.

2. As you are aware, as part of the process for modernizing our public financial management system, the Finance and Audit Act was amended in March 2015 to provide for every Ministry/Department to submit an Annual Report on Performance to the Minister of Finance and Economic Development. In the Annex to the Budget Speech 2016/2017 and subsequently in this Ministry's Circular No 8 of 2016, it was mentioned that this Ministry will issue guidelines to assist in the preparation of Annual Reports.

3. In this context, consultations were held with various stakeholders including the National Audit Office, the Treasury and the Financial Reporting Council for the development of the guidelines. At this initial stage, the format of the guidelines and the content of the reporting requirements have been kept simple so as to ensure a smooth implementation.

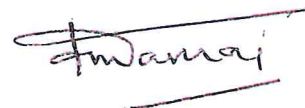
4. The Annual Report on Performance which will be in a range of 15 to 30 pages will have the following structure:

- (a) Part I: About the Ministry/Department
- (b) Part II: Achievements & Challenges
- (c) Part III: Financial Performance
- (d) Part IV: Way Forward

5. Ministries/Departments may use information already available in the Budget documents, their Customer Charters or any other documents for the preparation of their annual reports.

6. The effective date for submission of annual reports is October every year in respect of the previous fiscal year. The first submission will be in respect of fiscal year 2016/17.

7. We rely on your collaboration for compliance with the enclosed guidelines.



D.D. Manraj, GOSK
Financial Secretary



*Republic of
Mauritius*

GUIDELINES
Preparation
of
Annual Reports
by
Ministries/Departments

Ministry of Finance & Economic Development

November 2016

Introduction

In March 2015, the Finance & Audit Act was amended to provide for each Ministry and Department to prepare a report on its performance during the past fiscal year and submit it to the Minister of Finance and Economic Development, not later than the 31st of October in every year.

Reporting on performance is in line with the spirit of performance-based budgeting and it contributes to strengthening governance, transparency and accountability in the public sector. The annual report will enable tracking of progress made towards achieving the set targets and attaining the objectives of Government. It will also shed light on bottlenecks and constraints in the implementation of projects and schemes and possible ways to address them. In addition, the annual report will include statements on revenue and expenditure of the Ministry/Department for the previous fiscal year.

This document provides the guidelines to assist Ministries/Departments in the preparation of their annual Reports on Performance. It has been prepared in consultation with relevant stakeholders, including National Audit Office, the Treasury and the Financial Reporting Council.

The structure of the Annual Report is as follows:

- Part I:** About the Ministry/Department
- Part II:** Ministry/Department Achievements & Challenges
- Part III:** Financial Performance
- Part IV:** Way Forward

As will be noted, at this initial stage, the format of the guidelines and reporting requirements have been kept light to ensure a smooth implementation. We expect the report to be in the range of 15 to 30 pages. With time, the content requirements of the annual report will be made more elaborated and comprehensive.

The first annual reports that will be submitted by Ministries/Departments will not be tabled at the National Assembly. However, the intention is to provide for such annual reports to be laid at the National Assembly and become public after the pilot phase.

FORMAT

ANNUAL REPORT ON PERFORMANCE BY MINISTRIES/DEPARTMENTS

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PART I – ABOUT THE MINISTRY/DEPARTMENT

Vision and Mission

Vision

The Annual Report should start with the vision of the Ministry/Department.

A vision is an inspiring picture of a preferred future. It serves as a foundation for all policy development and planning and where all delivery units and Agencies under the purview of a Ministry work together to achieve that common vision. It should be specific to the institution but linked to the overall vision of a particular sector.

Mission

Ministry/Department should provide a mission statement. It should be a concise statement of the core purpose of the Ministry/Department.

You may wish to use the vision and mission statements elaborated by you in the Customer Charter or for the purposes of the budget or any other documents.

Supervising Officer's Statement

This section will provide an overview of the context and main trends in the areas covered by the Ministry/Department, the main achievements and overall performance of the Ministry/Department, as well as some broad perspective on current initiatives. It will also provide some broad strategic direction and the statement should be signed by the Supervising Officer.

Roles and Functions of the Ministry / Department

In this part, Ministries/Departments have to provide information on their roles, purposes, main functions and powers and public services provided.

These may include the following:

- key functions of the Ministry/Department;
- key legislations under the responsibility of the Ministry/Department;
- brief overview of the Departments/Agencies (where applicable) under the purview of the Ministry as well as its functions; and
- the links between the Ministry/Department objectives and services and those of Government.

About Our People

This section should briefly present the human resources at the disposal of the Ministry/Department for public policy making and delivery of its services. It should include a summary of the organizational structure of the Ministry/Department and the staffing structure in terms of different cadres as well as officers on contract, e.g. advisors, Service To Mauritius Programme, Youth Employment Programme and Expert Skills. It may also include the staff retention and turnover. You may wish to extract this information from the Budget Estimates.

This Section also provides the various initiatives undertaken by the Ministry/Department in relation to human resource management. It may include the following:

- Ministry's/Department's effectiveness in managing and developing its staff to achieve its objectives;
- workforce planning (including succession planning);
- key manpower training/development and team building initiatives; and
- health, safety & welfare of staff and work-life balance initiatives.

PART II – MINISTRY/DEPARTMENT ACHIEVEMENTS & CHALLENGES

Major Achievements

This section describes the major achievements of the Ministry/Department for the previous fiscal year. The achievements may be grouped by main delivery units and/or areas of intervention to facilitate reading and interpretation. Where applicable, achievements of Agencies under the purview of the Ministry/Department should be included.

You are advised to include the achievements stated in the Budget Estimates.

Status on Implementation of Budget Measures

A Ministry/Department should provide, in this section, a status on the achievements of budget measures falling under its purview and circulated to you by the Ministerial Committee on Implementation of budget measures.

A report on the status of implementation of other projects, programmes and schemes mentioned in the Government Programme in relation to the Ministry/Department should also be provided.

You may use the following format to report on the implementation of budget measures.

Para in Budget Speech including Annex	Budget Measure	Status

Status on Implementation of Key Actions

In this part, you should report, as per format below, on the Key Actions of your Ministry/Department for the fiscal year set in the Budget Estimates and to what extent the targets have been met.

An assessment of how far the Ministry/Department has progressed towards the achievement of its stated targets should also be mentioned.

You may insert graphs and charts to illustrate the trends and provide a brief explanation on the performance, where applicable, on the achievements.

Key Action	Key Performance Indicator	Target (as per Budget Estimates)	Status

Other Internal Developed KPI's

As mentioned in MOFED Circular No 8 of 2016 on Execution and Monitoring of the 2016-2017 Budget as well as in the Annex to Budget Speech, Ministries/Departments are required to set additional Key Performance Indicators (KPIs) for each of its Delivery Unit for their own internal performance management and put in place an effective monitoring and reporting system.

These KPIs should as far as possible be S.M.A.R.T (Specific, Measurable, Achievable, Relevant and Time-Bound). Progress on such KPIs should be reported in this section.

Risk Management, Citizen Oriented Initiatives & Good Governance

You should report on the actions, processes and systems put in place to manage risks, enhance customer service approach and promote good governance. This could include:

- system put in place for monitoring and evaluation of service delivery;
- actions taken to ensure timely, efficient and quality public services;
- safeguard of assets and data of the Department;
- delivery of services through e-government; and
- risk assessments and control plan, in particular regarding project implementation and fiscal risks or other expenditure risks.

You may draw information from the Customer Charter of your Ministry/Department.

PART III – FINANCIAL PERFORMANCE

Financial Highlights

The financial highlights for the previous year should include major statistics and figures, such as Expenditure by Economic Classification or by Head/Sub-Head of Expenditure supported by qualitative information.

The highlights may be represented by Pie charts, bar charts or other graphical representations.

Analysis of Major Changes

Ministries should include an overview discussion of any significant changes in financial results from the previous reported financial year.

The analysis of major changes should also cover variances from budget estimates for the reported financial year.

Statements of Revenue and Expenditure

In the introductory phase of annual reports production, this section will only include 2 types of statements:

- Statement of revenue from property income, user fees and other sources; and
- Statement of expenditure.

Statement of Revenue

Ministry/Department will provide information where applicable using categories provided in (Appendix A: Revenue) published in the Budget Estimate, for revenue raised by the Ministry/Department and deposited into the Consolidated Fund.

Revenue (Rs million)	2015-2016 Actual	2016-2017 Estimates	2016-2017 Actual
Property Income			
Sales of Goods and Services			
Fines, Penalties and Forfeits			
Miscellaneous Revenues			
Total Revenue from Property Income, User Fees and other Sources			

Statement of Expenditure

This table will present expenditure by Head/Sub-Head of Expenditure and main economic categories in respect of (i) compensation of salaries, (ii) goods and services, (iii) subsidies, (iv) grants, (v) social benefits, (vi) other expense, (vii) acquisition of non-financial assets and (viii) acquisition of financial assets.

In the table hereafter, drawing from TAS, Ministry/Department will provide information where applicable:

Head/Sub-Head of Expenditure (Rs million)	2015-2016 Actual	2016-2017 Estimates	2016-2017 Actual
Compensation of Employees			
Goods and Services			
Subsidies			
Grants			
Social Benefits			
Other Expense			
Acquisition of Non-Financial Assets			
Acquisition of Financial Assets			
Total			

Note: Additional information on Expenditure under Special Funds managed by the Ministry/Department should be reported where applicable.

PART IV – WAY FORWARD

Trends and Challenges

This section is about taking stock of the trends and challenges facing the Ministry/Department. The objective of the section is to provide a situational analysis of the environment (both internal & external) in which the Ministry/Department operates and which will influence and shape the way its services will be organized and delivered.

You may carry out a simple SWOT analysis and you may be guided by responding to the following key questions:

1. **Strengths:** What are the key strengths on which the Ministry/Department should built upon to achieve its strategic objectives?
2. **Weaknesses:** What are the difficulties that may hamper service delivery?
3. **Opportunities:** What are the opportunities to improve service delivery?
4. **Threats:** What are the threats including external and challenges which may be faced by the Ministry/Department in implementing its strategies?

Strategic Direction

In this section, you should state the strategic directions of your Ministry/Departments over the next three-year period which will enable you to realise your objectives and vision.

You may provide an update of the strategic direction you have in the Budget Estimates. You should also propose remedial actions that your Ministry/Department envisages to undertake in the light of the difficulties and bottlenecks identified in the above SWOT analysis.