



**DEPARTMENT OF TREASURY  
Office of the Secretary**

Telephone: (675) 328 8812  
Facsimile: (675) 328 8804

Vulupindi Haus  
PO Box 710, WAIGANI, NCD

## **BUDGET CIRCULAR 3/2008**

13 March 2008

### **CIRCULAR LETTER TO:**

All Departmental Heads, Heads of Statutory Authorities and Provincial Administrators

## **2008 FIRST QUARTER BUDGET REVIEW**

This Budget Circular advises National Departments, Statutory Authorities and Provincial Administrations (**agencies**) of their responsibilities in providing the Department of Treasury (**Treasury**) with performance, program, expenditure and revenue information for the first quarter of 2008 (i.e. 1 January to 31 March 2008).

### **Key Dates**

<b>Action</b>	<b>Due Date</b>
Agencies to have completed signed hardcopy and electronic copy First Quarter Review templates to Treasury.	<b>7 May 2008</b>

### **Background**

The Quarterly Budget Review process is conducted under the *Public Finances (Management) Act 1995* according to guidelines set out in *Section 36* of the Department of Finance's *Financial Instructions*. The Quarterly Budget Reviews allow the Government to:

- monitor progress in implementing the annual Budget, that is *to assess what results are being achieved from program spending*;
- identify spending trends that may lead to under expenditure or over expenditure of budget allocations; and
- update agency staffing profiles and advise of the steps being taken to bring those profiles in line with what has been funded through the annual budget.

It is important that all Budget-funded agencies participate in the reviews and report to Treasury on the 2008 first quarter to ensure the Central Agencies Coordinating Committee (**CACC**) has sufficient information to inform key decisions on implementation of budget funded policies.

## Revised Quarterly Budget Review Process

Due to the delays encountered during last year's process Treasury will not be pre-loading information into some of the First Quarter Review templates this year. Agencies must therefore provide **all** of the information asked for in each of the First Quarter Review templates.

All First Quarter Review templates will be provided in electronic format on a floppy disk and are expected to be returned completed in electronic format (saved on disk) and in hardcopy. Two versions of the First Quarter Budget Review Templates (Attachment A) will be provided electronically. One version will be for completion by Government Departments and Statutory Authorities and the other will be for completion by Provincial Governments.

## Action Required by Agencies

Agencies are to complete the appropriate 2008 First Quarter Budget Review Templates at Attachment A and the Recurrent Budget - Agency Staffing Level form at Attachment B and **return to Treasury by 7 May 2008**.

Agencies are to ensure that all completed templates are returned to Treasury in both signed hardcopy and electronic format. All First Quarter Review templates are to be sent to Treasury marked for the attention of the '**First Assistant Secretary, Budgets Division**'.

Guidance to assist Agencies with the completion of all templates is provided at Attachment C.

Budget funded agencies that fail to complete the templates satisfactorily and on time will have their failure reported to the Minister for Treasury through the Secretary of Treasury (and to National Executive Council as directed by the Minister) and to the CACC. Failures to comply satisfactorily will also be taken into account in future Budget deliberations.

## Review meetings

Like last year during the First (and Third) Quarter Budget Reviews, agencies will only be required to meet with Treasury (and other central agencies) on an exceptions basis. That is, Treasury will advise your agency if a meeting is required.

Those agencies that are required to attend meetings will be notified separately on the timing of those meetings, following analysis by Treasury of all first quarter returns. Treasury will pay particular attention in its analysis to the results achieved by program expenditure in the first quarter and to the staffing allocations of agencies.

## Reporting Templates

All templates will be provided to agencies with this circular in hardcopy as well as in electronic format (saved to floppy disk). Two separate versions of the First Quarter Budget Review Templates at Attachment A will be provided electronically on floppy disk. One version will be for the completion of Government Departments and Statutory Authorities and the other will be for the completion by Provincial Governments. The two different versions will be provided as not all spreadsheets apply to all agencies, and so that there is no confusion in relation to which spreadsheets will need to be completed by different agencies.

Further guidance to assist agencies with the completion of all templates is provided at Attachment C.

## Contacts

For further information or guidance to assist with the completion of the First Quarter Review templates please contact the following contact officers:

### Recurrent Budget (Department of Treasury)

Economic Sector	Mr Ropit Botong	312 8781
Infrastructure Sector	Mr Ropit Botong	312 8781
Social Sector	Ms Ruth Veapi	312 8753
Law & Order Sector	Ms Ruth Veapi	312 8753
Administrative Sector	Mr Rudolph Aigili	312 8737
Provincial Sector	Mr Lazarus Enker	312 8739

### Development Budget (Department of National Planning & Monitoring)

Economic Sector	Ms Koney Samuel	328 8319
Infrastructure Sector	Mr Gregory Ume	328 8348
Social Sector	Mr Igo Gari	328 8517
Law & Order Sector	Mr Igo Gari	328 8517
Administrative Sector	Mr Igo Gari	328 8517
Provincial Sector	Mr Gregory Ume	328 8348

**Simon Tosali**  
Secretary

**Attachments:**

- A: 2008 First Quarter Budget Review Templates**
- B: Agency Staffing Level Form**
- C: Quarterly Budget Review Template Guidance Floppy Disk containing pre-loaded templates**

**CC: All Government Chief Financial Officers**