



**DEPARTMENT OF TREASURY
Office of the Secretary**

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Vulupindi Haus
PO Box 710, WAIGANI, NCD

BUDGET CIRCULAR 6/2008

14 July 2008

CIRCULAR LETTER TO:

All Departmental Heads, Heads of Statutory Authorities and Provincial Administrators

2008 SECOND 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 second quarter of 2008 (i.e. 1 April to 30 June 2008).

Key Dates

Action	Due Date
Agencies to have completed signed hardcopy and electronic copy Second Quarter Review templates to Treasury	31 July 2008
Agencies to have Review Meetings with Treasury	4 - 15 August 2008 Advice on meeting venue, date and time will be provided to agencies by Treasury officers

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 second 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 Second Quarter Review templates this year. Agencies must therefore provide **all** of the information asked for in each of the Second Quarter Review templates.

All Second 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 Second 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 Thursday 31 July 2008**.

Agencies are to ensure that all completed templates are returned to Treasury in both signed hardcopy and electronic format. All Second 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

Agencies will be required to attend meetings with Treasury to discuss the Second Quarter Budget implementation outcomes. The meetings will occur over the period 4 - 15 August 2008 and Treasury officers will be in contact to advise the details of meeting date and time. All meetings with National Department and Statutory Authorities will occur in Vulupindi Haus.

Meetings with Provincial Administrators will occur in the Provinces over the period 4-15 August 2008. Treasury officers will be in contact with Provincial Administrators to advise the details of meeting venue, date and time.

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 Second 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. **Agencies will only receive the Templates that they are required to populate.**

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 & Infrastructure Sector	Mr Ropit Botong	312 8781
Social Sector	Ms Ruth Veapi	312 8780
Law & Order Sector	Ms Ruth Veapi	312 8780
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 8346
Infrastructure Sector	Mr Gregory Ume	328 8348
Social Sector	Mr Igo Gari	328 8517
Law & Order Sector	Mr William Sent	328 8388
Administrative Sector	Ms Rose Koyama	328 8349
Provincial Sector	Ms Kelly Kabilo	328 8532

Simon Tosali
Secretary

Attachments:

- A: 2008 Second 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