



**DEPARTMENT OF TREASURY
Office of the Secretary**

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BUDGET CIRCULAR 8/2009

10 September 2009

CIRCULAR LETTER TO:

All Departmental Heads, Heads of Statutory Authorities and Provincial Administrators

2009 THIRD 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 third quarter of 2009 (i.e. 1 July to 30 September).

Key Dates

Action	Due Date
Agencies to have completed signed hardcopy and electronic copy of Third Quarter Review templates to Treasury	Friday 30 October 2009

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 QBR process allows 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 2009 third quarter to ensure the Central Agencies Coordinating Committee has sufficient information to inform key decisions on implementation of budget funded policies.

Revised Quarterly Budget Review Process

As was the process for the 2009 First Quarter Budget Review (QBR) process (refer to Budget Circular 3/2009), Treasury will not be pre-loading information into the Third QBR templates. Agencies must therefore provide **all** of the information asked for in each of the Third QBR templates.

All Third QBR templates will be provided in electronic format on a floppy disk and are expected to be returned completed in electronic format and in hardcopy.

Action Required by Agencies

Agencies must complete the 2009 Third QBR templates at Attachment A and the Recurrent Budget - Agency Staffing Level form at Attachment B and **return to Treasury by 30 October 2009**.

Agencies are to ensure all completed templates are returned to Treasury in both signed hardcopy and electronic format. All Third QBR templates are to be sent to Treasury marked for the attention of the **First Assistant Secretary, Budget Division**.

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

Agencies are requested to provide expenditure reports for the Third QBR from the Papua New Guinea Government Accounting System (PGAS) together with completed templates for Treasury's reference. The PGAS report will provide the basis for Treasury's verification of information provided in each agency's templates as well as assessing agency performance.

Budget funded agencies failing to complete the templates satisfactorily and on time will be reported to Acting Secretary of Treasury. Budget Division officers have been instructed to withhold the issuing of warrants for November 2009 until completed templates have been submitted.

Review meetings

Agencies will only be required to meet with Treasury and other Central Agencies on an exceptions basis. Treasury will separately advise an agency if a meeting is required.

Reporting Templates and Guidance

All templates will be provided with this Budget Circular in hardcopy and in electronic format (saved to floppy disk).

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

Contacts

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	Mr Ravu Paku	312 8438
Administrative Sector	Mr Rudolph Aigili	312 8737
Provincial Sector	Mr Lazarus Enker	312 8739

Development Budget (Department of National Planning & Monitoring)

Economic Sector	Mr Jeffery Yakopya	328 8333
Infrastructure Sector	Mr Gregory Ume	328 8559
Social Sector	Mr Igo Gari	328 8333
Law & Justice & Administrative Sectors	Ms Rose Koyama	328 8559
Police & Defence	Mr Willie Kumanga	328 8333
Provincial Sector	Mr Otto Tean	328 8333
Special Projects		
HIV/AIDS & Climate Change	Mr Napoleon Henry	328 8321

SIMON TOSALI

Acting Secretary

Attachments:

- A: 2009 Third 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