



DEPARTMENT OF TREASURY
Office of the Secretary

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Vulupindi Haus
PO Box 542, WAIGANI, NCD

BUDGET CIRCULAR 3/2012

22 June 2012

CIRCULAR LETTER TO:

All Departmental Heads, Heads of Statutory Authorities and Provincial Administrators

2012 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 financial performance, program expenditure, income from revenue and trust account/s information for the second quarter of 2012 (i.e. 1 April to 30 June 2012).

Key Dates

AGENCIES ARE STRONGLY URGED TO STRICTLY ADHERE TO SCHEDULED DEADLINES AS SET OUT IN THE BUDGET TIMETABLE CIRCULAR 1/2012

Action	Due Date
Agencies to have completed signed hardcopy and electronic copy Second Quarter Review templates to Treasury	Friday 27 July 2012
Agencies to have Review Meetings with Treasury	Monday 30 July to Friday 10 August 2012 Treasury officers will provide individual advice to agencies

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 with both Personnel Emoluments and Goods and Services; 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 2012 second quarter to ensure that the Central Agencies Coordinating Committee (CACC) has sufficient information to inform key decisions on implementation of budget funded policies.

Action Required by Agencies

Agencies are to complete the 2012 Second QBR templates at Attachment A and the Recurrent Budget - Agency Staffing Level form at Attachment B and **return to Treasury by 27 July 2012**.

Agencies are to ensure that all completed templates are returned to Treasury signed. All Second 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.

Provincial templates for the Second Quarter Review reporting have been revised in compliance to National the National Economic Fiscal Commission (NEFC) requirements.

Agencies are requested to provide expenditure reports for the Second 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.

A report will be done to both the Secretary of Treasury and CACC regarding budget funded agencies that fail to complete the templates satisfactorily and on time.

Review meetings

Agencies will be required to attend meetings with Treasury to discuss the Second Quarter Budget implementation outcomes. The meetings are scheduled to occur over the period **30 July - 10 August 2012**. Meeting schedules are attached with this Circular (Attachment D). All meetings with National Departments and Statutory Authorities will occur in Vulupindi Haus.

Meetings with Provincial Administrators will occur in the Provinces over the same period. . 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 with this Budget Circular in hardcopy. The templates at Attachment A will not be provided electronically on floppy disk. Agencies can access the templates from the Treasury website (www.treasury.gov.pg) or contact your relevant Treasury officer for the templates.

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

Contacts

Recurrent Budget

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 Maryanne Maspok	312 8739
Administrative Sector	Ms Maryanne Maspok	312 8739
Provincial Sector	Ms Ruth Veapi	312 8753

SIMON TOSALI

Secretary

Attachments:

A:	2012 Second Quarter Budget Review Templates
B:	Agency Staffing Level Form
C:	Quarterly Budget Review Template Guidance
D:	2012 Second Quarter Budget Review Timetable

CC: *All Government Chief Financial Officers*