



DEPARTMENT OF TREASURY
Office of the Secretary

Telephone: (675) 312 8812
Facsimile: (675) 312 8804

Vulupindi Haus
PO Box 542, WAIGANI, NCD

BUDGET CIRCULAR 6/2012

10 September 2012

CIRCULAR LETTER TO:

All Departmental Heads, Heads of Statutory Authorities and Provincial Administrators

2012 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 2012 (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	Monday 22 October 2012

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*;
- 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; and
- identify spending trends that may lead to under expenditure or over expenditure of budget allocations.

It is important that all Budget-funded agencies participate in the reviews and report to Treasury on the 2012 third quarter to ensure that the Central Agencies Coordinating Committee has sufficient information to inform key decisions on implementation of budget funded policies.

Revised Quarterly Budget Review Process

Agencies are to provide **all** of the information asked for in each of the Third QBR templates.

All Third QBR templates may be provided in electronic format or can be sourced from the Treasury website (www.treasury.gov.pg) and are expected to be returned completed in electronic format and in hardcopy.

Action Required by Agencies

Agencies must complete all sections, including '*internal revenue*' in the 2012 Third QBR templates at Attachment A; the Recurrent Budget - Agency Staffing Level form at Attachment B; Explanation of Variances Template at Attachment C; and, **return to Treasury by 22 October 2012.**

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

Agencies are requested to provide expenditure reports for the Third QBR from (i) the Papua New Guinea Government Accounting System (PGAS); or (ii) from the Integrated Financial Management System (IFMS) for Pilot Agencies. This should be forwarded together with completed templates for Treasury's reference. The PGAS and IFMS reports will provide the basis for Treasury's verification of information provided in each agency's templates as well as assessing agency performance.

The Central Agencies Coordinating Committee will be notified of Budget funded agencies that fail to complete the templates satisfactorily and on time. Budget Division officers have been instructed to withhold the issuing of warrants for November 2012 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 upon agencies request.

As mentioned, further guidance to assist agencies with the completion of all templates is provided at Attachment D.

Contacts

Recurrent Budget (Department of Treasury)

Economic & 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 8855
Provincial Sector	Mr Ruth Veapi	312 8753

Development Budget (Department of National Planning & Monitoring)

Economic Sector	Ms Monica Lopyui	328 8505
Infrastructure Sector	Mr Kelly Kabilo	328 8557
Social Sector	Ms Ilma Gani	328 8572
Administrative Sectors	Mr Siboney Reuben	328 8509
Law & Justice/Police & Defence	Mr Willie Kumanga	328 8510
HIV/AIDS & Climate Change	Mrs. Rhoda Yani	328 8506
Provincial Sector	Mr Jacob Areman	328 8303

SIMON TOSALI

Secretary

Attachments:

- A: 2012 Third Quarter Budget Review Templates**
- B: Agency Staffing Level Form**
- C: Explanation of Variances**
- D: Quarterly Budget Review Template Guidance**

CC: All Government Chief Financial Officers